

AMENDED IN ASSEMBLY JULY 13, 2005

AMENDED IN ASSEMBLY JUNE 20, 2005

AMENDED IN SENATE MAY 4, 2005

AMENDED IN SENATE APRIL 25, 2005

SENATE BILL

No. 512

**Introduced by Committee on Education (Senators Scott (Chair),
Alquist, Denham, Dutton, Lowenthal, Maldonado, Morrow,
Romero, Simitian, Soto, Speier, and Torlakson)**
(Coauthor: Assembly Member Huff)

February 18, 2005

An act to amend Section 1798.3 of the Civil Code, to amend Sections 1628, 1629, ~~Sections~~ 8092, 8212, 8226, 8352, 15146, 38101, 41020, 41327.2, 41344, 41344.1, 41402, ~~41511~~, 41521, 41530, 41976, 41976.5, 42127, 42132, 42238.23, 42282, 42282.1, 42285, 44225.6, 44252.1, 44664, 45037, 48660.2, 48900.8, 48980, 49423, 49423.1, 51226.1, 52520, 52570, 52571, 52572, 54749, 56195.7, and 56362.7 of, to add Sections 42285.4, 44265.6, and 56836.07 to, to repeal Section 52247 of, and to repeal and add Section 48213 of, the Education Code, to amend Section 7572.5 of the Government Code, to repeal Chapter 1.2 (commencing with Section 628) of Title 15 of Part 1 of the Penal Code, and to amend Item 6110-183-0890 of Section 2.00 of Chapter 208 of the Statutes of 2004, relating to public schools, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 512, as amended, Committee on Education. Education omnibus.

(1) Existing law requires, by September 15 of each year, a county superintendent of schools to prepare and file with the Superintendent

of Public Instruction a statement of all receipts and expenditures of the county office of education for the preceding fiscal year.

This bill would instead require a county superintendent of schools to prepare and file that statement by October 15 of each year.

(2) Existing law requires, by September 30 of each year, a county board of education to adopt a resolution to identify the estimated appropriations limit for the county office of education for the current fiscal year and the actual appropriations limit for the county office of education for the preceding fiscal year.

This bill would instead require a county board of education to adopt that resolution by October 15 of each year.

(3) Existing law authorizes, except as otherwise provided by law, the governing board of a school district or community college district, when in its judgment it is advisable, and requires, upon a petition of the majority of the qualified electors residing in the school district or community college district, that the governing board of a school district or community college district order an election and submit to the electors of the district the question of whether the bonds of the district shall be issued and sold for the specified purposes of raising moneys.

Existing law requires that the proceeds of the sale of the bonds, exclusive of any premium received, be deposited in the county treasury to the credit of the building fund of the school district, or the community college district as designated by the California Community Colleges Budget and Accounting Manual. Existing law requires that any premium or accrued interest received from the sale of the bonds be deposited in the interest and sinking fund of the district.

This bill would instead require that the proceeds of the sale of bonds issued to refund outstanding bonds be deposited in the interest and sinking fund of the district.

(4) Existing law requires the Superintendent of Public Instruction and the Director of Finance to jointly establish a plan for repayment of school funds that a local educational agency received on the basis of average daily attendance that did not comply with statutory or regulatory requirements that were conditions of apportionments, as determined by an audit or review. Existing law establishes the Education Audit Appeals Panel and requires the panel to hear an appeal of a finding of a final audit report resulting from an audit or review. Existing law authorizes the executive officer of the panel to

order or propose a reduction of repayment, under specified circumstances.

This bill would, in addition, require the Superintendent of Public Instruction and the Director of Finance to jointly establish a plan for repayment of a penalty arising from an audit exception. The bill would also authorize the executive officer of the panel to waive repayment, or payment of a penalty, under specified circumstances.

(5) Existing law establishes maximum ratios of administrative employees to teachers, but exempts from those ratios a school district that has only one school and one administrator.

This bill would instead exempt from those ratios a school district that has one or fewer administrators.

(6) Existing law establishes the school safety consolidated competitive grant, from which grant funds are distributed to school districts in order to carry out one or more purposes for which various specified programs were established, including the development of safety plans for new schools. Existing law also makes a school district and a county office of education responsible for the overall development of comprehensive school safety plans.

This bill would declare that funds distributed from the school safety consolidated competitive grant to a school district in order to develop safety plans for new schools are revenues that offset any reimbursable mandate claim for the development of comprehensive school safety plans.

~~(6)~~

(7) Existing law establishes the professional development block grant, which is composed of funding from, and for, specified existing categorical education programs. Existing law authorizes a school district to expend block grant funds if the school district provides each teacher of kindergarten or any of grades 1 to 6, inclusive, with opportunities to participate in professional development activities, as specified.

This bill would delete that condition.

~~(7)~~

(8) Existing law requires the governing board of a school district to adopt an annual budget, and requires the county superintendent of schools who has jurisdiction over that school district to approve, conditionally approve, or disapprove the adopted budget.

This bill would require the governing board of a school district whose adopted budget was disapproved, and the county

superintendent of schools who has jurisdiction over that school district, to review the disapproval and the recommendations of the county superintendent of schools regarding revision of the budget at a public hearing, as specified. To the extent that this bill would impose additional duties on a school district, the bill would create a state-mandated local program.

~~(8)~~

(9) Existing law requires, by September 30 of each year, the governing board of a school district to adopt a resolution to identify the estimated appropriations limit for the school district for the current fiscal year and the actual appropriations limit for the school district for the preceding fiscal year.

This bill would instead require the governing board of a school district to adopt that resolution by September 15 of each year.

~~(9)~~

(10) Existing law requires a county superintendent of schools to make a funding computation for a school district with a necessary small school, and requires that computation be adjusted for excused absences by reducing average daily attendance by the statewide average rate of excused absence reported for high school districts for the 1996-97 fiscal year, as specified.

This bill would instead require that computation be adjusted for excused absences by reducing average daily attendance by the statewide average rate of excused absence reported for elementary school districts for the 1996-97 fiscal year, as specified.

~~(10)~~

(11) Existing law requires the Commission on Teacher Credentialing to adopt regulations to provide a grace period for candidates enrolled in specified credential programs to complete the requirements of the program, without being required to meet new requirements. Under existing law, these provisions will be repealed by their own terms on January 1, 2006.

This bill would delete the repeal provision in existing law.

~~(11)~~

(12) Existing law requires the Commission on Teacher Credentialing to issue a 2-year nonrenewable preliminary specialist instruction credential, and a 2-year services credential with a specialization in pupil personnel services, solely for the purpose of providing specified instruction and services to deaf or hearing-impaired pupils, to a prelingual deaf candidate, upon the

satisfaction of specified conditions and requirements, including medical or other appropriate professional verifications.

This bill would, upon the request of a school district, county office of education, or state special school, require the Commission on Teacher Credentialing to determine specific requirements for, and issue, a one-year specialist instruction emergency permit, solely for the purpose of instructing deaf or hearing-impaired pupils, to a prelingual deaf candidate, upon medical or other appropriate professional verifications.

~~(12)~~

(13) Existing law requires a school district to evaluate and assess the performance of a certificated employee with permanent status who has been employed at least 10 years with the school district, is highly qualified, as defined, and whose previous evaluation rated the employee as meeting or exceeding standards.

This bill would require a school district to evaluate and assess that certificated employee only if he or she occupies a position that is required to be filled by a highly qualified professional.

~~(13)~~

(14) Existing law requires the Superintendent of Public Instruction to adopt a curriculum framework, as specified, that offers a blueprint for implementation of career and technical education, no later than June 1, 2006.

This bill would postpone the fulfillment of that requirement until April 1, 2007.

~~(14)~~

(15) Existing law establishes the Advanced Placement Challenge Grant Program under which a high school designs and implements a plan that is intended to result in its pupils having access to at least 4 advanced placement courses in core curriculum areas. Existing law also requires the Superintendent of Public Instruction to administer a grant program for advanced placement professional development under which nonrenewable 4-year grants are awarded on a competitive basis to no more than 550 high schools to establish, train, and support teams of teachers or purchase instructional materials and equipment for those courses.

This bill would delete those provisions.

~~(15)~~

(16) Existing law authorizes a pupil suspected of needing mental health services to be referred to a community mental health service.

Existing law also requires the Superintendent of Public Instruction to make specified computations to determine funding for a special education local plan area.

This bill would require the Superintendent to allocate funds appropriated in the annual Budget Act to a special education local plan area, and a proportionate share, as specified, to the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, for purposes of those referred pupils. The bill would declare that, due to the unique situation of that special education local plan area, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

~~(16)~~

(17) Existing law requires, by June 30, 1995, the State Department of Education, in consultation with the Department of Justice and a representative election of school districts and county offices of education to currently compile school crime statistics and to develop a standard school crime reporting form for use by all school districts and county offices of education throughout the state. Existing law requires each principal of a school in a school district and each principal or director of a school, program, or camp under the jurisdiction of the county superintendent of schools to report crimes, and requires the superintendent of any school district to submit various reports, as specified. Existing law requires the State Department of Education to publish and distribute to all school districts and county offices of education an annual school crime reporting update that describes typical errors in school crime reporting procedures, describes effective and efficient methods of monitoring and recording school crime data, and identifies trends in school crime drawn from the annual school crime report submitted to the Legislature.

This bill would repeal those provisions.

~~(17)~~

(18) This bill would also delete and replace obsolete and incorrect references in existing law, and would clarify various provisions and make various corrections in existing law.

~~(18) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the~~

~~state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

(19) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

~~(19)~~

(20) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1798.3 of the Civil Code is amended to
2 read:

3 1798.3. As used in this chapter:

4 (a) The term “personal information” means any information
5 that is maintained by an agency that identifies or describes an
6 individual, including, but not limited to, his or her name, social
7 security number, physical description, home address, home
8 telephone number, education, financial matters, and medical or
9 employment history. It includes statements made by, or attributed
10 to, the individual.

11 (b) The term “agency” means every state office, officer,
12 department, division, bureau, board, commission, or other state
13 agency, except that the term agency shall not include:

14 (1) The California Legislature.

15 (2) Any agency established under Article VI of the California
16 Constitution.

1 (3) The State Compensation Insurance Fund, except as to any
2 records which contain personal information about the employees
3 of the State Compensation Insurance Fund.

4 (4) A local agency, as defined in subdivision (a) of Section
5 6252 of the Government Code.

6 (c) The term “disclose” means to disclose, release, transfer,
7 disseminate, or otherwise communicate all or any part of any
8 record orally, in writing, or by electronic or any other means to
9 any person or entity.

10 (d) The term “individual” means a natural person.

11 (e) The term “maintain” includes maintain, acquire, use, or
12 disclose.

13 (f) The term “person” means any natural person, corporation,
14 partnership, limited liability company, firm, or association.

15 (g) The term “record” means any file or grouping of
16 information about an individual that is maintained by an agency
17 by reference to an identifying particular such as the individual’s
18 name, photograph, finger or voice print, or a number or symbol
19 assigned to the individual.

20 (h) The term “system of records” means one or more records,
21 which pertain to one or more individuals, which is maintained by
22 any agency, from which information is retrieved by the name of
23 an individual or by some identifying number, symbol or other
24 identifying particular assigned to the individual.

25 (i) The term “governmental entity,” except as used in Section
26 1798.26, means any branch of the federal government or of the
27 local government.

28 (j) The term “commercial purpose” means any purpose which
29 has financial gain as a major objective. It does not include the
30 gathering or dissemination of newsworthy facts by a publisher or
31 broadcaster.

32 (k) The term “regulatory agency” means the Department of
33 Financial Institutions, the Department of Corporations, the
34 Department of Insurance, the Department of Real Estate, and
35 agencies of the United States or of any other state responsible for
36 regulating financial institutions.

37 SEC. 2. Section 1628 of the Education Code is amended to
38 read:

39 1628. On or before October 15 each year, the county
40 superintendent of schools shall prepare and file with the

1 Superintendent, along with the statements received pursuant to
2 subdivision (b) of Section 42100, a statement of all receipts and
3 expenditures of the county office of education for the preceding
4 fiscal year. The statement shall be in a format or on forms
5 prescribed by the Superintendent, in accordance with regulations
6 adopted by the State Board of Education. These forms may be
7 amended periodically by the Superintendent to accommodate
8 changes in statute or government reporting standards.

9 SEC. 3. Section 1629 of the Education Code is amended to
10 read:

11 1629. On or before October 15 of each year, the county board
12 of education shall adopt a resolution to identify, pursuant to
13 Division 9 (commencing with Section 7900) of Title 1 of the
14 Government Code, the estimated appropriations limit for the
15 county office of education for the current fiscal year and the
16 actual appropriations limit for the county office of education for
17 the preceding fiscal year. That resolution shall be adopted at a
18 regular or special meeting of the board. Notwithstanding Section
19 7910 of the Government Code, documentation used in the
20 identification of the appropriations limits shall be made available
21 to the public on the date of the meeting at which the resolution is
22 adopted.

23 SEC. 4. Section 8092 of the Education Code is amended to
24 read:

25 8092. (a) A school district or districts, a county
26 superintendent or superintendents, or the governing body of any
27 agency maintaining a regional occupational center or program
28 may contract with a private postsecondary school that is
29 authorized or approved pursuant to Chapter 3 (commencing with
30 Section 94300) of Part 59 and that has been in operation not less
31 than two full calendar years prior to the effective date of the
32 contract, to provide career technical skill training authorized by
33 this code. A school district, community college district, or county
34 superintendent of schools may contract with an activity center,
35 work activity center, or sheltered workshop to provide career
36 technical skill training authorized by this code in an adult
37 education program for adults with disabilities operated pursuant
38 to subdivision (a) of Section 41976.

39 (b) A contract between a public entity and a private
40 postsecondary school entered into pursuant to this section, or an

1 activity center, work activity center, or sheltered workshop, shall
2 do all of the following:

3 (1) Provide that the amount contracted for per student shall not
4 exceed the total direct and indirect costs to provide the same
5 training in the public schools or the tuition the private
6 postsecondary school charges its private students, whichever is
7 lower.

8 (2) Provide that the public school receiving training in a
9 private postsecondary school, or an activity center, work activity
10 center, or sheltered workshop pursuant to that contract may not
11 be charged additional tuition for any training included in the
12 contract. The attendance of those students pursuant to a contract
13 authorized by this section shall be credited to the public entity for
14 the purposes of apportionments from the State School Fund.

15 (3) Provide that all programs, courses, and classes of
16 instruction shall meet the standards set forth in the California
17 State Plan for Career Technical Education, or is a course of study
18 for adult schools approved by the department under Section
19 51056.

20 (c) The students who attend a private postsecondary school or
21 an activity center, work activity center, or sheltered workshop
22 pursuant to a contract under this section shall be enrollees of the
23 public entity and the career technical instruction provided
24 pursuant to that contract shall be under the exclusive control and
25 management of the governing body of the contracting public
26 entity.

27 (d) The Department of Finance and the State Department of
28 Education may audit the accounts of both the public entity and
29 the private party involved in these contracts to the extent
30 necessary to ensure the integrity of the public funds involved.

31 SEC. 5. Section 8212 of the Education Code is amended to
32 read:

33 8212. For purposes of this article, child care resource and
34 referral programs, established to serve a defined geographic area,
35 shall provide the following services:

36 (a) Identification of the full range of existing child care
37 services through information provided by all relevant public and
38 private agencies in the areas of service, and the development of a
39 resource file of those services which shall be maintained and
40 updated at least quarterly. These services shall include, but not be

1 limited to, family day care homes, public and private day care
2 programs, full-time and part-time programs, and infant,
3 preschool, and extended care programs.

4 The resource file shall include, but not be limited to, the
5 following information:

- 6 (1) Type of program.
- 7 (2) Hours of service.
- 8 (3) Ages of children served.
- 9 (4) Fees and eligibility for services.
- 10 (5) Significant program information.

11 (b) (1) Establishment of a referral process which responds to
12 parental need for information and which is provided with full
13 recognition of the confidentiality rights of parents. Resource and
14 referral programs shall make referrals to licensed child day care
15 facilities. Referrals shall be made to unlicensed care facilities
16 only if there is no requirement that the facility be licensed. The
17 referral process shall afford parents maximum access to all
18 referral information. This access shall include, but is not limited
19 to, telephone referrals to be made available for at least 30 hours
20 per week as part of a full week of operation. Every effort shall be
21 made to reach all parents within the defined geographic area,
22 including, but not limited to, any of the following:

- 23 (A) Toll-free telephone lines.
- 24 (B) Office space convenient to parents and providers.
- 25 (C) Referrals in languages which are spoken in the
26 community.

27 Each child care resource and referral program shall publicize
28 its services through all available media sources, agencies, and
29 other appropriate methods.

30 (2) (A) Provision of information to any person who requests a
31 child care referral of his or her right to view the licensing
32 information of a licensed child day care facility required to be
33 maintained at the facility pursuant to Section 1596.859 of the
34 Health and Safety Code and to access any public files pertaining
35 to the facility that are maintained by the State Department of
36 Social Services Community Care Licensing Division.

37 (B) A written or oral advisement in substantially the following
38 form will comply with the requirements of subparagraph (A):

39 “State law requires licensed child day care facilities to make
40 accessible to the public a copy of any licensing report pertaining

1 to the facility that documents a facility visit or a substantiated
2 complaint investigation. In addition, a more complete file
3 regarding a child care licensee may be available at an office of
4 the State Department of Social Services Community Care
5 Licensing Division. You have the right to access any public
6 information in these files.”

7 (c) Maintenance of ongoing documentation of requests for
8 service tabulated through the internal referral process. The
9 following documentation of requests for service shall be
10 maintained by all child care resource and referral programs:

11 (1) Number of calls and contacts to the child care information
12 and referral program or component.

13 (2) Ages of children served.

14 (3) Time category of child care request for each child.

15 (4) Special time category, such as nights, weekends, and swing
16 shift.

17 (5) Reason that the child care is needed.

18 This information shall be maintained in a manner that is easily
19 accessible for dissemination purposes.

20 (d) Provision of technical assistance to existing and potential
21 providers of all types of child care services. This assistance shall
22 include, but not be limited to:

23 (1) Information on all aspects of initiating new child care
24 services including, but not limited to, licensing, zoning, program
25 and budget development, and assistance in finding this
26 information from other sources.

27 (2) Information and resources that help existing child care
28 services providers to maximize their ability to serve the children
29 and parents of their community.

30 (3) Dissemination of information on current public issues
31 affecting the local and state delivery of child care services.

32 (4) Facilitation of communication between existing child care
33 and child-related services providers in the community served.

34 Services prescribed by this section shall be provided in order to
35 maximize parental choice in the selection of child care to
36 facilitate the maintenance and development of child care services
37 and resources.

38 (e) (1) A program operating pursuant to this article shall,
39 within two business days of receiving notice, remove a licensed
40 child day care facility with a revocation or a temporary

1 suspension order, or that is on probation from the program's
2 referral list.

3 (2) A program operating pursuant to this article shall, within
4 two business days of receiving notice, notify all entities,
5 operating a program under Article 3 (commencing with Section
6 8220) and Article 15.5 (commencing with Section 8350) in the
7 program's jurisdiction, of a licensed child day care facility with a
8 revocation or a temporary suspension order, or that is on
9 probation.

10 SEC. 6. Section 8226 of the Education Code is amended to
11 read:

12 8226. (a) When making referrals, every program operating
13 pursuant to this article shall provide information to any person
14 who requests a child care referral of his or her right to view the
15 licensing information of a licensed child day care facility
16 required to be maintained at the facility pursuant to Section
17 1596.859 of the Health and Safety Code and to access any public
18 files pertaining to the facility that are maintained by the State
19 Department of Social Services Community Care Licensing
20 Division.

21 (b) A written or oral advisement in substantially the following
22 form will comply with the requirements of subdivision (a):

23 "State law requires licensed child day care facilities to make
24 accessible to the public a copy of any licensing report pertaining
25 to the facility that documents a facility visit or a substantiated
26 complaint investigation. In addition, a more complete file
27 regarding a child care licensee may be available at an office of
28 the State Department of Social Services Community Care
29 Licensing Division. You have the right to access any public
30 information in these files."

31 (c) Every program operating pursuant to this article shall,
32 within two days of receiving notice, remove from the program's
33 referral list the name of any licensed child day care facility with
34 a revocation or a temporary suspension order or that is on
35 probation.

36 (d) A program operating pursuant to this article shall, within
37 two business days of being notified of a revocation or a
38 temporary suspension order for a licensed child day care facility,
39 do both of the following:

40 (1) Terminate payment to the facility.

(2) Notify each parent and the facility in writing that payment has been terminated and the reason for the termination.

(e) A program operating pursuant to this article shall, upon being notified that a licensed child day care facility has been placed on probation, provide written notice to each parent utilizing the facility that the facility has been placed on probation and that the parent has the option of selecting a different child day care provider or remaining with the facility without risk of subsidy payments to the provider being terminated. The Legislature urges each agency operating pursuant to this section to provide the written notice required by this subdivision in the primary language of the parent, to the extent feasible.

SEC. 7. Section 8352 of the Education Code is amended to read:

8352. (a) As soon as appropriate, a county welfare department shall refer families needing child care services to the local child care resource and referral program funded pursuant to Article 2 (commencing with Section 8210). Resource and referral program staff shall colocate with a county welfare department's case management offices for aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, or any successor program, or arrange other means of swift communication with parents and case managers of this aid. The local child care resource and referral program shall assist families to establish stable child care arrangements as soon as possible. These child care arrangements may include licensed and license-exempt care.

(b) A program operating pursuant to this article shall, within two business days of being notified of a revocation or a temporary suspension order for a licensed child day care facility, do both of the following:

(1) Terminate payment to the facility.

(2) Notify each parent and the facility in writing that payment has been terminated and the reason for the termination.

(c) A program operating pursuant to this article shall, upon being notified that a licensed child care facility has been placed on probation, provide written notice to each parent utilizing the facility that the facility has been placed on probation and that the parent has the option of selecting a different child day care provider or remaining with the facility without risk of subsidy

1 payments to the provider being terminated. The Legislature urges
2 each agency operating pursuant to this section to provide the
3 written notice required by this subdivision in the primary
4 language of the parent, to the extent feasible.

5 SEC. 8. Section 15146 of the Education Code is amended to
6 read:

7 15146. (a) The bonds shall be issued and sold pursuant to
8 Section 15140, payable out of the interest and sinking fund of the
9 district. The governing board may sell the bonds at a negotiated
10 sale or by competitive bidding. The bonds may be sold at a
11 discount not to exceed 5 percent and at an interest rate not to
12 exceed the maximum rate permitted by law. If the sale is by
13 competitive bid, the governing board shall comply with Sections
14 15147 and 15148. The bonds shall be sold by the governing
15 board no later than the date designated by the governing board as
16 the final date for the sale of the bonds.

17 (b) The proceeds of the sale of the bonds, exclusive of any
18 premium received, shall be deposited in the county treasury to
19 the credit of the building fund of the school district, or
20 community college district as designated by the California
21 Community Colleges Budget and Accounting Manual. The
22 proceeds deposited shall be drawn out as other school moneys
23 are drawn out. The bond proceeds withdrawn shall not be applied
24 to any other purposes than those for which the bonds were
25 issued. Any premium or accrued interest received from the sale
26 of the bonds shall be deposited in the interest and sinking fund of
27 the district.

28 (c) The governing board may cause to be deposited proceeds
29 of sale of any series of the bonds in an amount not exceeding 2
30 percent of the principal amount of the bonds in a costs of
31 issuance account, which may be created in the county treasury or
32 held by a fiscal agent appointed by the district for this purpose,
33 separate from the building fund and the interest and sinking fund
34 of the district. The proceeds deposited shall be drawn out on the
35 order of the governing board or an officer of the district duly
36 authorized by the governing board to make the order, only to pay
37 authorized costs of issuance of the bonds. Upon the order of the
38 governing board or duly authorized officer, the remaining
39 balance shall be transferred to the county treasury to the credit of
40 the building fund of the school district or community college

1 district. The deposit of bond proceeds pursuant to this
2 subdivision shall be a proper charge against the building fund of
3 the district.

4 (d) The governing board may cause to be deposited proceeds
5 of sale of any series of the bonds in the interest and sinking fund
6 of the district in the amount of the annual reserve permitted by
7 Section 15250 or in any lesser amount, as the governing board
8 shall determine from time to time. The deposit of bond proceeds
9 pursuant to this subdivision shall be a proper charge against the
10 building fund of the district.

11 (e) The governing board may cause to be deposited proceeds
12 of sale of any series of the bonds in the interest and sinking fund
13 of the district in the amount not exceeding the interest scheduled
14 to become due on that series of bonds for a period of two years
15 from the date of issuance of that series of bonds. The deposit of
16 bonds proceeds pursuant to this subdivision shall be a proper
17 charge against the building fund of the district.

18 (f) Notwithstanding subdivision (b), the proceeds of the sale of
19 bonds issued to refund outstanding bonds pursuant to subdivision
20 (g) of Section 15100, or Article 9 (commencing with Section
21 53550) of Chapter 3 of Part 1 of Division 2 of the Government
22 Code, shall be deposited in the interest and sinking fund of the
23 district.

24 SEC. 9. Section 38101 of the Education Code is amended to
25 read:

26 38101. (a) The governing board of a school district may
27 authorize expenditures from the cafeteria fund or cafeteria
28 account only for those charges from that fund or account that are
29 defined in the California School Accounting Manual.

30 (b) A food service program shall not be charged more than
31 once for expenditures for the same service. If a food service
32 program is being charged for a service as a direct cost, the school
33 district shall not also allocate that cost as a direct support cost or
34 indirect cost.

35 (c) For purposes of this section, an “indirect cost” shall be
36 limited to the lesser of the school district’s prior year indirect
37 cost rate as approved by the department or the statewide average
38 approved indirect cost for the second prior fiscal year.

39 (d) Charges to, or transfers from, a food service program shall
40 indicate when the charge or transfer was made and shall be

1 accompanied by a written explanation of the purpose of, and
2 basis for, the expenditure.

3 (e) This section does not authorize a school district to charge a
4 food service program any charges prohibited by state or federal
5 law or regulation.

6 (f) If the department and the Department of Finance concur
7 that a school district has violated this section, the Superintendent
8 shall direct that school district to transfer double the amount
9 improperly transferred to the general fund of the school district
10 from that fund to the cafeteria fund of the school district or
11 cafeteria account for the subsequent fiscal year which is then to
12 be used for the improvement of the food service program of the
13 school district. If the school district fails to make that transfer as
14 directed, the Superintendent shall reduce the regular
15 apportionment of the school district determined pursuant to
16 Section 42238 and increase the child nutrition allowance of the
17 school district determined pursuant to Section 41350 by double
18 the amount improperly transferred to the general fund of the
19 school district and that amount is then to be used for
20 improvement of the food service program.

21 (g) It is the intent of the Legislature in enacting this section
22 that responsible school district officials be held fully accountable
23 for the accounting and reporting of food service programs and
24 that minor and inadvertent instances of noncompliance be
25 resolved in a fair and equitable manner to the satisfaction of the
26 Superintendent and the Department of Finance.

27 (h) The Superintendent, with the approval of the Department
28 of Finance, may waive up to the full transfer amount in
29 subdivision (f) if he or she determines that the noncompliance
30 involved is minor or inadvertent, or both.

31 ~~SEC. 10. Section 41020 of the Education Code is amended to~~
32 ~~read:~~

33 ~~41020. (a) It is the intent of the Legislature to encourage~~
34 ~~sound fiscal management practices among local educational~~
35 ~~agencies for the most efficient and effective use of public funds~~
36 ~~for the education of children in California by strengthening fiscal~~
37 ~~accountability at the district, county, and state levels.~~

38 ~~(b) (1) Not later than the first day of May of each fiscal year,~~
39 ~~each county superintendent of schools shall provide for an audit~~
40 ~~of all funds under his or her jurisdiction and control and the~~

~~governing board of each local educational agency shall either provide for an audit of the books and accounts of the local educational agency, including an audit of income and expenditures by source of funds, or make arrangements with the county superintendent of schools having jurisdiction over the local educational agency to provide for that auditing.~~

~~(2) A contract to perform the audit of a local educational agency that has a disapproved budget or has received a negative certification on any budget or interim financial report during the current fiscal year or either of the two preceding fiscal years, or for which the county superintendent of schools has otherwise determined that a lack of going concern exists, is not valid unless approved by the responsible county superintendent of schools and the governing board.~~

~~(3) If the governing board of a local educational agency has not provided for an audit of the books and accounts of the local educational agency by April 1, the county superintendent of schools having jurisdiction over the local educational agency shall provide for the audit of each local educational agency.~~

~~(4) An audit conducted pursuant to this section shall fully comply with the Government Auditing Standards issued by the Comptroller General of the United States.~~

~~(5) For purposes of this section, "local educational agency" does not include community colleges.~~

~~(e) Each audit conducted in accordance with this section shall include all funds of the local educational agency, including the student body and cafeteria funds and accounts and any other funds under the control or jurisdiction of the local educational agency. Each audit shall also include an audit of pupil attendance procedures.~~

~~(d) All audit reports for each fiscal year shall be developed and reported using a format established by the Controller after consultation with the Superintendent and the Director of Finance.~~

~~(e) (1) The cost of the audits provided for by the county superintendent of schools shall be paid from the county school service fund and the county superintendent of schools shall transfer the pro rata share of the cost chargeable to each district from district funds.~~

~~(2) The cost of the audit provided for by a governing board shall be paid from local educational agency funds. The audit of~~

1 the funds under the jurisdiction and control of the county
2 superintendent of schools shall be paid from the county school
3 service fund.

4 (f) (1) The audits shall be made by a certified public
5 accountant or a public accountant, licensed by the California
6 Board of Accountancy, and selected by the local educational
7 agency, as applicable, from a directory of certified public
8 accountants and public accountants deemed by the Controller as
9 qualified to conduct audits of local educational agencies, which
10 shall be published by the Controller not later than December 31
11 of each year.

12 (2) Commencing with the 2003-04 fiscal year and except as
13 provided in subdivision (d) of Section 41320.1, it is unlawful for
14 a public accounting firm to provide audit services to a local
15 educational agency if the lead audit partner, or coordinating audit
16 partner, having primary responsibility for the audit, or the audit
17 partner responsible for reviewing the audit, has performed audit
18 services for that local educational agency in each of the six
19 previous fiscal years. The Education Audits Appeal Panel may
20 waive this requirement if the panel finds that no otherwise
21 eligible auditor is available to perform the audit.

22 (3) It is the intent of the Legislature that, notwithstanding
23 paragraph (2) of this subdivision, the rotation within public
24 accounting firms conform to provisions of the federal
25 Sarbanes-Oxley Act of 2002 (P.L. 107-204; 15 U.S.C. Sec. 7201
26 et seq.), and upon release of the report required by the act of the
27 Comptroller General of the United States addressing the
28 mandatory rotation of registered public accounting firms, the
29 Legislature intends to reconsider the provisions of paragraph (2).
30 In determining which certified public accountants and public
31 accountants shall be included in the directory, the Controller
32 shall use the following criteria:

33 (A) The certified public accountants or public accountants
34 shall be in good standing as certified by the Board of
35 Accountancy.

36 (B) The certified public accountants or public accountants, as
37 a result of a quality control review conducted by the Controller
38 pursuant to Section 14504.2, shall not have been found to have
39 conducted an audit in a manner constituting noncompliance with
40 subdivision (a) of Section 14503.

~~(g) (1) The auditor's report shall include each of the following:~~

~~(A) A statement that the audit was conducted pursuant to standards and procedures developed in accordance with Chapter 3 (commencing with Section 14500) of Part 9 of Division 1 of Title 1.~~

~~(B) A summary of audit exceptions and management improvement recommendations.~~

~~(C) Each local education agency's audit shall include an auditor's evaluation on whether there is substantial doubt about the local agency's ability to continue as a going concern for a reasonable period of time. This evaluation shall be based on the Statement of Auditing Standards (SAS) No. 59, as issued by the AICPA regarding disclosure requirements relating the entity's ability to continue as a going concern.~~

~~(2) To the extent possible, a description of correction or plan of correction shall be incorporated in the audit report, describing the specific actions that are planned to be taken, or that have been taken, to correct the problem identified by the auditor. The descriptions of specific actions to be taken or that have been taken shall not solely consist of general comments such as "will implement," "accepted the recommendation," or "will discuss at a later date."~~

~~(h) Not later than December 15, a report of each local educational agency audit for the preceding fiscal year shall be filed with the county superintendent of schools of the county in which the local educational agency is located, the department, and the Controller. The Superintendent shall make any adjustments necessary in future apportionments of all state funds, to correct any audit exceptions revealed by those audit reports.~~

~~(i) (1) Commencing with the 2002-03 audit of local educational agencies pursuant to this section, each county superintendent of schools shall be responsible for reviewing the audit exceptions contained in an audit of a local educational agency under his or her jurisdiction related to attendance, inventory of equipment, internal control, and any miscellaneous items, and determining whether the exceptions have been either corrected or an acceptable plan of correction has been developed.~~

~~(2) Commencing with the 2004-05 audit of local educational agencies pursuant to this section, each county superintendent of~~

1 schools shall include in the review of audit exceptions performed
2 pursuant to this subdivision those audit exceptions related to that
3 information described by subdivision (b) of Section 14501, and
4 shall determine whether the exceptions are either corrected or an
5 acceptable plan of correction has been developed.

6 (j) ~~Upon submission of the final audit report to the governing~~
7 ~~board of each local educational agency and subsequent receipt of~~
8 ~~the audit by the county superintendent of schools having~~
9 ~~jurisdiction over the local educational agency, the county office~~
10 ~~of education shall do all of the following:~~

11 (1) ~~Review audit exceptions related to attendance, inventory of~~
12 ~~equipment, internal control, and other miscellaneous exceptions.~~
13 ~~Attendance exceptions or issues shall include, but not be limited~~
14 ~~to, those related to revenue limits, adult education, and~~
15 ~~independent study.~~

16 (2) ~~If a description of the correction or plan of correction has~~
17 ~~not been provided as part of the audit required by this section,~~
18 ~~then the county superintendent of schools shall notify the local~~
19 ~~educational agency and request the governing board of the local~~
20 ~~educational agency to provide to the county superintendent of~~
21 ~~schools a description of the corrections or plan of correction by~~
22 ~~March 15.~~

23 (3) ~~Review the description of correction or plan of correction~~
24 ~~and determine its adequacy. If the description of the correction or~~
25 ~~plan of correction is not adequate, the county superintendent of~~
26 ~~schools shall require the local educational agency to resubmit~~
27 ~~that portion of its response that is inadequate.~~

28 (k) ~~Each county superintendent of schools shall certify to the~~
29 ~~Superintendent and the Controller, not later than May 15, that his~~
30 ~~or her staff has reviewed all audits of local educational agencies~~
31 ~~under his or her jurisdiction for the prior fiscal year, that all~~
32 ~~exceptions that the county superintendent was required to review~~
33 ~~were reviewed, and that all of those exceptions, except as~~
34 ~~otherwise noted in the certification, have been corrected by the~~
35 ~~local educational agency or that an acceptable plan of correction~~
36 ~~has been submitted to the county superintendent of schools. In~~
37 ~~addition, the county superintendent shall identify, by local~~
38 ~~educational agency, any attendance-related audit exception or~~
39 ~~exceptions involving state funds, and require the local~~
40 ~~educational agency to which the audit exceptions were directed~~

1 to submit appropriate reporting forms for processing by the
2 Superintendent.

3 (l) In the audit of a local educational agency for a subsequent
4 year, the auditor shall review the correction or plan or plans of
5 correction submitted by the local educational agency to
6 determine if the exceptions have been resolved. If not, the auditor
7 shall immediately notify the appropriate county office of
8 education and the department and restate the exception in the
9 audit report. After receiving that notification, the department
10 shall either consult with the local educational agency to resolve
11 the exception or require the county superintendent of schools to
12 follow up with the local educational agency.

13 (m) (1) The Superintendent shall be responsible for ensuring
14 that local educational agencies have either corrected or
15 developed plans of correction for any one or more of the
16 following:

17 (A) All federal and state compliance audit exceptions
18 identified in the audit.

19 (B) Any exceptions that the county superintendent certifies as
20 of May 15 have not been corrected.

21 (C) Any repeat audit exceptions that are not assigned to a
22 county superintendent to correct.

23 (2) In addition, the Superintendent shall be responsible for
24 ensuring that county superintendents of schools and each county
25 board of education that serves as the governing board of a local
26 educational agency either correct all audit exceptions identified
27 in the audits of county superintendents of schools and of the local
28 educational agencies for which the county boards of education
29 serve as the governing boards or develop acceptable plans of
30 correction for those exceptions.

31 (3) The Superintendent shall report annually to the Controller
32 on his or her actions to ensure that school districts, county
33 superintendents of schools, and each county board of education
34 that serves as the governing board of a school district have either
35 corrected or developed plans of correction for any of the
36 exceptions noted pursuant to paragraph (1).

37 (n) To facilitate correction of the exceptions identified by the
38 audits issued pursuant to this section, commencing with 2002-03
39 audits pursuant to this section, the Controller shall require
40 auditors to categorize audit exceptions in each audit report in a

manner that will make it clear to both the county superintendent of schools and the Superintendent which exceptions they are responsible for ensuring the correction of by a local educational agency. In addition, the Controller annually shall select a sampling of county superintendents of schools and perform a followup of the audit resolution process of those county superintendents of schools and report the results of that followup to the Superintendent and the county superintendents of schools that were reviewed.

(e) County superintendents of schools shall adjust subsequent local property tax requirements to correct audit exceptions relating to local educational agency tax rates and tax revenues.

(p) If a governing board or county superintendent of schools fails or is unable to make satisfactory arrangements for the audit pursuant to this section, the Controller shall make arrangements for the audit and the cost of the audit shall be paid from local educational agency funds or the county school service fund, as the case may be.

(q) Audits of regional occupational centers and programs are subject to the provisions of this section.

(r) This section does not authorize examination of, or reports on, the curriculum used or provided for in any local educational agency.

(s) Notwithstanding any other provision of law, a nonauditing, management, or other consulting service to be provided to a local educational agency by a certified public accounting firm while the certified public accounting firm is performing an audit of the agency pursuant to this section must be in accord with Government Accounting Standards, Amendment No. 3, as published by the United States General Accounting Office.

SEC. 11.—

SEC. 10. Section 41327.2 of the Education Code is amended to read:

41327.2. (a) The appointment of an administrator pursuant to Section 41326 does not remove any statutory rights, duties, or obligations from the county superintendent of schools. The county superintendent of schools retains the responsibility to superintend school districts under his or her jurisdiction.

(b) The county superintendent of schools shall submit reports to the Superintendent, the appropriate fiscal and policy

1 committees of the Legislature, the Director of Finance, and the
2 Secretary for Education subsequent to review by the county
3 superintendent of schools of the district's budget and interim
4 reports in accordance with subdivisions (d) and (g) of, and
5 paragraph (3) of subdivision (i) of, Section 42127, and paragraph
6 (2) of subdivision (a) of, and subdivision (e) of, Section 42131.
7 These reports shall document the fiscal and administrative status
8 of the qualifying district, particularly in regard to the
9 implementation of fiscal and management recovery plans. Each
10 report shall also include a determination of whether the revenue
11 streams to the district appear to be consistent with its expenditure
12 plan, according to the most recent data available at the time of
13 the report. These reports are required until six months after all
14 rights, duties, and powers are returned to the school district
15 pursuant to this article.

16 ~~SEC. 12.—~~

17 *SEC. 11.* Section 41344 of the Education Code is amended to
18 read:

19 41344. (a) If, as the result of an audit or review, a local
20 educational agency is required to repay an apportionment
21 significant audit exception or to pay a penalty arising from an
22 audit exception, the Superintendent and the Director of Finance,
23 or their designees, shall jointly establish a plan for repayment of
24 state school funds that the local educational agency received on
25 the basis of average daily attendance, or other data, that did not
26 comply with statutory or regulatory requirements that were
27 conditions of the apportionments, or for payment of a penalty
28 arising from an audit exception. A local educational agency shall
29 request a plan within 90 days of receiving the final audit report or
30 review, within 30 days of withdrawing or receiving a final
31 determination regarding an appeal pursuant to subdivision (d), or,
32 in the absence of an appeal pursuant to subdivision (d), within 30
33 days of withdrawing or receiving a determination of a summary
34 review pursuant to subdivision (d) of Section 41344.1. At the
35 time the local educational agency is notified, the Controller shall
36 also be notified of the plan. The plan shall be established in
37 accordance with the following:

38 (1) The Controller shall withhold the disallowed or penalty
39 amount at the next principal apportionment or pursuant to
40 paragraph (2), unless subdivision (d) of this section or

subdivision (d) of Section 41344.1 applies, in which case the disallowed or penalty amount shall be withheld, at the next principal apportionment or pursuant to paragraph (2) following the determination regarding the appeal or summary appeal. In calculating a disallowed amount, the Controller shall determine the total amount of overpayment received by the local educational agency on the basis of average daily attendance, or other data, reported by the local educational agency that did not comply with one or more statutory or regulatory requirements that are conditions of apportionment.

(2) If the Superintendent and the Director of the Department of Finance concur that repayment of the full liability or payment of the penalty in the current fiscal year would constitute a severe financial hardship for the local agency, they may approve a plan of equal annual payments over a period of up to eight years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Superintendent and the Director of the Department of Finance shall jointly establish this plan. The Controller shall withhold amounts pursuant to the plan.

(3) If the Superintendent and the Director of the Department of Finance do not jointly establish a plan, the Controller shall withhold the entire disallowed amount determined pursuant to paragraph (1), or the penalty amount, at the next principal apportionment.

(b) (1) For purposes of computing average daily attendance pursuant to Section 42238.5, a local educational agency's prior fiscal year average daily attendance shall be reduced by an amount equal to any average daily attendance disallowed in the current year, by an audit or review, as defined in subdivision (e).

(2) Commencing with the 1999-2000 fiscal year, this subdivision may not result in a local educational agency repaying more than the value of the average daily attendance disallowed in the audit exception plus interest and other penalties or reductions in apportionments as provided by existing law.

(c) Notwithstanding any other provision of law, this section may not be waived under any authority set forth in this code except as provided in this section or Section 41344.1.

(d) Within 60 days of the date on which a local educational agency receives a final audit report resulting from an audit or

1 review of all or any part of the operations of the local educational
2 agency, or within 30 days of receiving a determination of a
3 summary review pursuant to subdivision (d) of Section 41344.1,
4 a local educational agency may appeal a finding contained in the
5 final report, pursuant to Section 41344.1. Within 90 days of the
6 date on which the appeal is received by the panel, a hearing shall
7 be held at which the local educational agency may present
8 evidence or arguments if the local educational agency believes
9 that the final report contains any finding that was based on errors
10 of fact or interpretation of law, or if the local educational agency
11 believes in good faith that it was in substantial compliance with
12 all legal requirements. A repayment schedule may not commence
13 until the panel reaches a determination regarding the appeal. If
14 the panel determines that the local educational agency is correct
15 in its assertion, in whole or in part, the allowable portion of any
16 apportionment payment that was withheld shall be paid at the
17 next principal apportionment.

18 (e) As used in this section, “audit or review” means an audit
19 conducted by the Controller’s office, an annual audit conducted
20 by a certified public accountant or a public accounting firm
21 pursuant to Section 41020, and an audit or review conducted by a
22 governmental agency that provided the local educational agency
23 with an opportunity to provide a written response.

24 ~~SEC. 13.—~~

25 *SEC. 12.* Section 41344.1 of the Education Code is amended
26 to read:

27 41344.1. (a) The Education Audit Appeals Panel is hereby
28 established as a separate state agency. Its membership shall
29 consist of the Superintendent, the Director of the Department of
30 Finance, and the Chief Executive Officer of the Fiscal Crisis and
31 Management Assistance Team established pursuant to Section
32 42127.8 or their designees. The panel shall have the authority to
33 expend funds, hire staff, make contracts, sue and be sued, and
34 issue regulations in furtherance of its duties.

35 (b) The panel shall hear appeals filed pursuant to subdivision
36 (d) of Section 41344. The Controller shall be a party to all
37 appeals. The department and the Department of Finance may, at
38 their election, timely intervene as a party in any appeal. The
39 panel shall consider audit appeals pursuant to the administrative
40 adjudication provisions of the Administrative Procedure Act

1 (Chapter 4.5 (commencing with Section 11400) and Chapter 5
2 (commencing with Section 11500) of Part 1 of Division 3 of Title
3 2 of the Government Code), except that it may adopt regulations
4 specifying special pleadings that shall govern audit appeals. The
5 panel may approve settlements and make findings of fact and
6 interpretations of law.

7 (c) Compliance with all legal requirements is a condition to
8 the state's obligation to make apportionments. A condition may
9 be deemed satisfied if the panel finds there has been compliance
10 or substantial compliance with all legal requirements.
11 "Substantial compliance" means nearly complete satisfaction of
12 all material requirements of a funding program that provide an
13 educational benefit substantially consistent with the program's
14 purpose. A minor or inadvertent noncompliance may be grounds
15 for a finding of substantial compliance provided that the local
16 education agency can demonstrate it acted in good faith to
17 comply with the conditions established in law or regulation
18 necessary for apportionment of funding. The panel may further
19 define "substantial compliance" by issuing regulations or through
20 adjudicative opinions, or both. If the panel finds there has been
21 substantial compliance, the panel may waive or reduce the
22 reimbursement or penalty amount and may also order other
23 remedial measures sufficient to induce full compliance in the
24 future. Other remedial measures may include restoration of a
25 reduction or penalty amount if full compliance is not rendered in
26 the future, ordering special audits, and requiring special training.

27 (d) In addition to the normal appeal process specified above,
28 there is hereby created a voluntary, informal, summary appeals
29 process for noncompliant audit exceptions that clearly constitute
30 substantial compliance as that term is defined in subdivision (c).
31 Requests for summary review shall be made to the executive
32 officer of the panel who may seek comment from the Department
33 of Finance or Superintendent. Summary review shall be sought
34 within 30 days of the date on which a local education agency
35 receives a final audit report resulting from an audit or review.

36 (1) If the executive officer concludes the conditions for
37 finding substantial compliance are not clearly met or involve
38 substantial questions of fact, the executive officer may deny the
39 request for summary review and the appellant may pursue its
40 claim through the normal appeal process.

(2) For appeals in which the total audit exceptions for full repayment or penalty constitute less than 150 units of average daily attendance or seven hundred fifty thousand dollars (\$750,000), whichever is less, the executive officer may waive or reduce the reimbursement or penalty upon a finding of substantial compliance and that other remedial measures are sufficient to induce full compliance in the future.

(3) For appeals in which the total audit exceptions for full repayment or penalty meet or exceed 150 units of average daily attendance or seven hundred fifty thousand dollars (\$750,000), whichever is greater, the executive officer may waive or reduce the reimbursement or penalty upon a finding of substantial compliance and order other remedial measures that are sufficient to induce full compliance in the future, if he or she has the written approval of the Department of Finance and the Superintendent. The executive officer shall provide the details of the proposed settlement and the rationale in writing to the Department of Finance and Superintendent and allow at least 30 days for their review.

(4) The right to appeal pursuant to subdivision (d) of Section 41344 is independent of this subdivision and an appellant may pursue his or her appeal under subdivision (b) regardless of the result under this subdivision. A local educational agency that has unresolved audit appeals pursuant to subdivision (d) of Section 41344 pending on January 1, 2003, may file a request for summary review under this subdivision for a period of 60 days after January 1, 2003.

~~SEC. 14.—~~

SEC. 13. Section 41402 of the Education Code is amended to read:

41402. The maximum ratios of administrative employees to each 100 teachers in the various types of school districts shall be as follows:

(a) In elementary school districts—9.

(b) In unified school districts—8.

(c) In high school districts—7.

This section shall not apply to a school district that has one or fewer administrators.

SEC. 14. Section 41511 of the Education Code is amended to read:

1 41511. Funding for the school safety consolidated
2 competitive grant shall include the funding previously
3 apportioned to school districts for carrying out the purposes of
4 the following programs:

5 (a) Safe school planning and partnership minigrants, as funded
6 pursuant to Item ~~6110-226-0001~~ of Section 2.0 of the annual
7 Budget Act.

8 (b) School community policing as set forth in Article 6
9 (commencing with Section 32296) of Chapter 2.5 of Part 19.

10 (c) Gang-risk intervention as set forth in Chapter 5.5
11 (commencing with Section 58730) of Part 31.

12 (d) Safety plans for new schools, as funded pursuant to Item
13 ~~6110-226-0001~~ 6110-228-0001 of Section 2.00 of the annual
14 Budget Act. *Grant funds distributed to a school district in order
15 to carry out the purpose of this subdivision are offsetting
16 revenues within the meaning of subdivision (e) of Section 17556
17 of the Government Code for any reimbursable mandated cost
18 claim for the development of school safety plans as required by
19 Section 32281 of the Education Code. A school district that
20 accepts funds in order to carry out the purpose of this
21 subdivision shall reduce its estimated and actual mandate
22 reimbursement claim by the amount of funding provided to it in
23 order to carry out the purposes of this subdivision.*

24 (e) School community violence prevention, as funded pursuant
25 to Item ~~6110-226-0001~~ 6110-228-0001 of Section 2.00 of the
26 annual Budget Act.

27 (f) Conflict resolution, as funded pursuant to Item
28 ~~6110-226-0001~~ 6110-228-0001 of Section 2.00 of the annual
29 Budget Act.

30 SEC. 15. Section 41521 of the Education Code is amended to
31 read:

32 41521. (a) The teacher credentialing block grant shall
33 include funding previously apportioned to school districts for
34 purposes of beginning teacher support and assessment as set forth
35 in Article 4.5 (commencing with Section 44279.1) of Chapter 2
36 of Part 25.

37 (b) For purposes of issuing teaching credentials, certificates, or
38 other authorizations, the Commission on Teacher Credentialing
39 shall approve the programs described by subdivision (a). To
40 ensure the Superintendent has the requisite information to

1 allocate funding based on the number of participating credential
2 candidates pursuant to this article, the commission shall inform
3 the Superintendent on an ongoing basis of the approval status of
4 these programs and numbers of participating candidates in each
5 approved program.

6 SEC. 16. Section 41530 of the Education Code is amended to
7 read:

8 41530. (a) There is hereby established the professional
9 development block grant. Commencing with the 2005-06 fiscal
10 year, the Superintendent shall apportion block grant funds to a
11 school district based on the number of certificated teachers
12 employed by the school district in the immediately prior fiscal
13 year.

14 (b) A school district may expend funds received pursuant to
15 this article for any purpose authorized by the programs listed in
16 Section 41531, as the statutes governing those programs read on
17 January 1, 2004.

18 (c) For purposes of this article, “school district” includes a
19 county office of education if county offices of education are
20 eligible to receive funds for the programs that are listed in
21 Section 41531. The block grant of a county office of education
22 shall be based only on those programs for which it was eligible to
23 receive funds in the 2003-04 fiscal year.

24 SEC. 17. Section 41976 of the Education Code is amended to
25 read:

26 41976. (a) For purposes of this chapter, the following classes
27 and courses are authorized to be offered by school districts and
28 county superintendents of schools for apportionment purposes
29 from the adult education fund:

30 (1) Adult programs in parenting, including parent cooperative
31 preschools, and classes in child growth and development,
32 parent-child relationships, and parenting.

33 (2) Adult programs in elementary and secondary basic skills
34 and other courses and classes required for the high school
35 diploma. Apportionments for these courses and classes may only
36 be generated by students who do not possess a high school
37 diploma, except for remedial academic courses or classes in
38 reading, mathematics, and language arts.

39 (3) Adult education programs in English as a second language.

1 (4) Adult education programs for immigrants eligible for
2 educational services in citizenship, English as a second language,
3 and workforce preparation classes in the basic skills of speaking,
4 listening, reading, writing, mathematics, decisionmaking and
5 problem solving skills, and other classes required for preparation
6 to participate in job specific technical training.

7 (5) Adult education programs for adults with disabilities.

8 (6) Adult short-term career technical education programs with
9 high employment potential. Any reference to “vocational”
10 education or programs in adult education means “career
11 technical” education or programs in adult education.

12 (7) Adult programs for older adults.

13 (8) Adult education programs for apprentices.

14 (9) Adult programs in home economics.

15 (10) Adult programs in health and safety education.

16 (b) No state apportionment shall be made for any course or
17 class which is not set forth in subdivision (a).

18 SEC. 18. Section 41976.5 of the Education Code is amended
19 to read:

20 41976.5. (a) Each school district or county superintendent of
21 schools providing services in summer school programs for adults
22 with disabilities in the 1977-78 school year shall continue in the
23 1980-81 fiscal year and each fiscal year thereafter to offer these
24 programs.

25 (b) A school district or county superintendent of schools
26 receiving apportionments from Section A of the State School
27 Fund shall offer summer programs for graduating high school
28 seniors in need of courses for graduation.

29 SEC. 19. Section 42127 of the Education Code is amended to
30 read:

31 42127. (a) On or before July 1 of each year, the governing
32 board of each school district shall accomplish the following:

33 (1) Hold a public hearing on the budget to be adopted for the
34 subsequent fiscal year. The budget to be adopted shall be
35 prepared in accordance with Section 42126. The agenda for that
36 hearing shall be posted at least 72 hours prior to the public
37 hearing and shall include the location where the budget will be
38 available for public inspection.

39 (2) Adopt a budget. Not later than five days after that adoption
40 or by July 1, whichever occurs first, the governing board shall

1 file that budget with the county superintendent of schools. That
2 budget and supporting data shall be maintained and made
3 available for public review. If the governing board of the district
4 does not want all or a portion of the property tax requirement
5 levied for the purpose of making payments for the interest and
6 redemption charges on indebtedness as described in paragraph
7 (1) or (2) of subdivision (b) of Section 1 of Article XIII A of the
8 California Constitution, the budget shall include a statement of
9 the amount or portion for which a levy shall not be made.

10 (b) The county superintendent of schools may accept changes
11 in any statement included in the budget, pursuant to subdivision
12 (a), of the amount or portion for which a property tax levy shall
13 not be made. The county superintendent or the county auditor
14 shall compute the actual amounts to be levied on the property tax
15 rolls of the district for purposes that exceed apportionments to
16 the district pursuant to Chapter 6 (commencing with Section 95)
17 of Part 0.5 of Division 1 of the Revenue and Taxation Code.
18 Each school district shall provide all data needed by the county
19 superintendent or the county auditor to compute the amounts. On
20 or before August 15, the county superintendent shall transmit the
21 amounts computed to the county auditor who shall compute the
22 tax rates necessary to produce the amounts. On or before
23 September 1, the county auditor shall submit the rate computed
24 to the board of supervisors for adoption.

25 (c) The county superintendent of schools shall do all of the
26 following:

27 (1) Examine the adopted budget to determine whether it
28 complies with the standards and criteria adopted by the State
29 Board of Education pursuant to Section 33127 for application to
30 final local educational agency budgets. The county
31 superintendent shall identify, if necessary, any technical
32 corrections that are required to be made to bring the budget into
33 compliance with those standards and criteria.

34 (2) Determine whether the adopted budget will allow the
35 district to meet its financial obligations during the fiscal year and
36 is consistent with a financial plan that will enable the district to
37 satisfy its multiyear financial commitments. In addition to his or
38 her own analysis of the budget of each school district, the county
39 superintendent of schools shall review and consider studies,
40 reports, evaluations, or audits of the school district that were

1 commissioned by the district, the county superintendent, the
2 Superintendent, and state control agencies and that contain
3 evidence that the school district is showing fiscal distress under
4 the standards and criteria adopted in Section 33127 or that
5 contain a finding by an external reviewer that more than three of
6 the 15 most common predictors of a school district needing
7 intervention, as determined by the County Office Fiscal Crisis
8 and Management Assistance Team, are present. The county
9 superintendent of schools shall either conditionally approve or
10 disapprove a budget that does not provide adequate assurance
11 that the district will meet its current and future obligations and
12 resolve any problems identified in studies, reports, evaluations,
13 or audits described in this paragraph.

14 (d) On or before August 15, the county superintendent of
15 schools shall approve, conditionally approve, or disapprove the
16 adopted budget for each school district. If a school district does
17 not submit a budget to the county superintendent of schools, the
18 county superintendent of schools shall, at district expense,
19 develop a budget for that school district by September 15 and
20 transmit that budget to the governing board of the school district.
21 The budget prepared by the county superintendent of schools
22 shall be deemed adopted, unless the county superintendent of
23 schools approves any modifications made by the governing board
24 of the school district. The approved budget shall be used as a
25 guide for the district's priorities. The Superintendent shall review
26 and certify the budget approved by the county. If, pursuant to the
27 review conducted pursuant to subdivision (c), the county
28 superintendent of schools determines that the adopted budget for
29 a school district does not satisfy paragraph (1) or (2) of that
30 subdivision, he or she shall conditionally approve or disapprove
31 the budget and, not later than August 15, transmit to the
32 governing board of the school district, in writing, his or her
33 recommendations regarding revision of the budget and the
34 reasons for those recommendations, including, but not limited to,
35 the amounts of any budget adjustments needed before he or she
36 can conditionally approve that budget. The county superintendent
37 of schools may assign a fiscal adviser to assist the district to
38 develop a budget in compliance with those revisions. In addition,
39 the county superintendent of schools may appoint a committee to
40 examine and comment on the superintendent's review and

1 recommendations, subject to the requirement that the committee
2 report its findings to the superintendent no later than August 20.

3 (e) On or before September 8, the governing board of the
4 school district shall revise the adopted budget to reflect changes
5 in projected income or expenditures subsequent to July 1, and to
6 include any response to the recommendations of the county
7 superintendent of schools, shall adopt the revised budget, and
8 shall file the revised budget with the county superintendent of
9 schools. Prior to revising the budget, the governing board shall
10 hold a public hearing regarding the proposed revisions, to be
11 conducted in accordance with Section 42103. In addition, if the
12 adopted budget is disapproved pursuant to subdivision (d), the
13 governing board and the county superintendent of schools shall
14 review the disapproval and the recommendations of the county
15 superintendent of schools regarding revision of the budget at the
16 public hearing. The revised budget and supporting data shall be
17 maintained and made available for public review.

18 (f) On or before September 22, the county superintendent of
19 schools shall provide a list to the Superintendent identifying all
20 school districts for which budgets may be disapproved.

21 (g) The county superintendent of schools shall examine the
22 revised budget to determine whether it (1) complies with the
23 standards and criteria adopted by the State Board of Education
24 pursuant to Section 33127 for application to final local
25 educational agency budgets, (2) allows the district to meet its
26 financial obligations during the fiscal year, (3) satisfies all
27 conditions established by the county superintendent of schools in
28 the case of a conditionally approved budget, and (4) is consistent
29 with a financial plan that will enable the district to satisfy its
30 multiyear financial commitments, and, not later than October 8,
31 shall approve or disapprove the revised budget. If the county
32 superintendent of schools disapproves the budget, he or she shall
33 call for the formation of a budget review committee pursuant to
34 Section 42127.1, unless the governing board of the school district
35 and the county superintendent of schools agree to waive the
36 requirement that a budget review committee be formed and the
37 department approves the waiver after determining that a budget
38 review committee is not necessary. Upon the grant of a waiver,
39 the county superintendent has the authority and responsibility
40 provided to a budget review committee in Section 42127.3. Upon

1 approving a waiver of the budget review committee, the
2 department shall ensure that a balanced budget is adopted for the
3 school district by November 30. If no budget is adopted by
4 November 30, the Superintendent may adopt a budget for the
5 school district. The Superintendent shall report to the Legislature
6 and the Director of Finance by December 10 if any district,
7 including a district that has received a waiver of the budget
8 review committee process, does not have an adopted budget by
9 November 30. This report shall include the reasons why a budget
10 has not been adopted by the deadline, the steps being taken to
11 finalize budget adoption, the date the adopted budget is
12 anticipated, and whether the Superintendent has or will exercise
13 his or her authority to adopt a budget for the school district.

14 (h) Not later than October 8, the county superintendent of
15 schools shall submit a report to the Superintendent identifying all
16 school districts for which budgets have been disapproved or
17 budget review committees waived. The report shall include a
18 copy of the written response transmitted to each of those districts
19 pursuant to subdivision (d).

20 (i) Notwithstanding any other provision of this section, the
21 budget review for a school district shall be governed by
22 paragraphs (1), (2), and (3) of this subdivision, rather than by
23 subdivisions (e) and (g), if the governing board of the school
24 district so elects and notifies the county superintendent in writing
25 of that decision, not later than October 31 of the immediately
26 preceding calendar year. On or before July 1, the governing
27 board of a school district for which the budget review is
28 governed by this subdivision, rather than by subdivisions (e) and
29 (g), shall conduct a public hearing regarding its proposed budget
30 in accordance with Section 42103.

31 (1) If the adopted budget of a school district is disapproved
32 pursuant to subdivision (d), on or before September 8, the
33 governing board of the school district, in conjunction with the
34 county superintendent of schools, shall review the
35 superintendent's recommendations at a regular meeting of the
36 governing board and respond to those recommendations. The
37 response shall include any revisions to the adopted budget and
38 other proposed actions to be taken, if any, as a result of those
39 recommendations.

1 (2) On or before September 22, the county superintendent of
2 schools will provide a list to the Superintendent identifying all
3 school districts for which a budget may be tentatively
4 disapproved.

5 (3) Not later than October 8, after receiving the response
6 required under paragraph (1), the county superintendent of
7 schools shall review that response and either approve or
8 disapprove the budget. If the county superintendent of schools
9 disapproves the budget, he or she shall call for the formation of a
10 budget review committee pursuant to Section 42127.1, unless the
11 governing board of the school district and the county
12 superintendent of schools agree to waive the requirement that a
13 budget review committee be formed and the department approves
14 the waiver after determining that a budget review committee is
15 not necessary. Upon the grant of a waiver, the county
16 superintendent has the authority and responsibility provided to a
17 budget review committee in Section 42127.3. Upon approving a
18 waiver of the budget review committee, the department shall
19 ensure that a balanced budget is adopted for the school district by
20 November 30. The Superintendent shall report to the Legislature
21 and the Director of Finance by December 10 if any district,
22 including a district that has received a waiver of the budget
23 review committee process, does not have an adopted budget by
24 November 30. This report shall include the reasons why a budget
25 has not been adopted by the deadline, the steps being taken to
26 finalize budget adoption, and the date the adopted budget is
27 anticipated.

28 (4) Not later than 45 days after the Governor signs the annual
29 Budget Act, the school district shall make available for public
30 review any revisions in revenues and expenditures that it has
31 made to its budget to reflect the funding made available by that
32 Budget Act.

33 (j) Any school district for which the county board of education
34 serves as the governing board is not subject to subdivisions (c) to
35 (h), inclusive, but is governed instead by the budget procedures
36 set forth in Section 1622.

37 SEC. 20. Section 42132 of the Education Code is amended to
38 read:

39 42132. On or before September 15 of each year, the
40 governing board of each school district shall adopt a resolution to

identify, pursuant to Division 9 (commencing with Section 7900) of Title 1 of the Government Code, the estimated appropriations limit for the district for the current fiscal year and the actual appropriations limit for the district for the preceding fiscal year. That resolution shall be adopted at a regular or special meeting of the governing board. Notwithstanding Section 7910 of the Government Code, documentation used in the identification of the appropriations limits shall be made available to the public on the date of the meeting.

SEC. 21. Section 42238.23 of the Education Code is amended to read:

42238.23. Notwithstanding any other provision of law, persons providing services to local educational agencies through use of a joint powers authority involving the local education agency who would, in absence of the joint powers authority, otherwise be considered school employees and subject to the Public Employees' Retirement System rate reduction to revenue limits authorized in Section 42238.12, shall not be excluded from the calculations of the Public Employees' Retirement System reduction authorized in that section.

SEC. 22. Section 42282 of the Education Code is amended to read:

42282. For each district with fewer than 2,501 units of second principal apportionment average daily attendance, on account of each necessary small school, the county superintendent shall make the following computations:

(a) For each necessary small school which has an average daily attendance during the fiscal year of less than 26, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least one teacher was hired full time, the county superintendent shall compute for the district fifty-two thousand nine hundred twenty-five dollars (\$52,925).

(b) For each necessary small school which has an average daily attendance during the fiscal year of 26 or more and less than 51, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least two teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred five thousand eight hundred fifty dollars (\$105,850).

(c) For each necessary small school which has an average daily attendance during the fiscal year of 51 or more but less than 76, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school three teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district one hundred fifty-eight thousand seven hundred seventy-five dollars (\$158,775).

(d) For each necessary small school which has an average daily attendance during the fiscal year of 76 or more and less than 101, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school four teachers were hired full time for more than one-half of the days schools were maintained, the county superintendent shall compute for the district two hundred eleven thousand seven hundred dollars (\$211,700). These school districts may use this funding calculation until the revenue limit per unit of average daily attendance multiplied by the average daily attendance produces state aid equal to the small school funding formula.

(e) For the 1998–99 fiscal year and each fiscal year thereafter, the ranges of average daily attendance specified in subdivisions (a) to (d), inclusive, shall be reduced by the statewide average rate of excused absence reported for elementary school districts for the 1996–97 fiscal year pursuant to Section 42238.7, with the resultant figures and ranges rounded to the nearest integer.

SEC. 23. Section 42282.1 of the Education Code is amended to read:

42282.1. (a) Notwithstanding Section 42282, or any other provision of law, each necessary small school in the Death Valley Unified School District shall qualify for the apportionment specified in subdivision (b) of Section 42282 if that school has an average daily attendance of 21 or more and less than 51, exclusive of pupils attending the 7th and 8th grades of a junior high school, and for which school at least two teachers were hired full-time for more than one-half of the days schools were maintained.

(b) It is the intent of the Legislature not to provide a special allowance to the Death Valley Unified School District for one of its schools by future legislation if the average daily attendance at the school is 18 or less.

SEC. 24. Section 42285 of the Education Code is amended to read:

42285. (a) A necessary small high school for the purposes of Section 42284, is a high school with an average daily attendance of less than 301, excluding continuation schools, which comes within any of the following conditions (except that a single high school maintained by a unified district, or a high school maintained by any district for the exclusive purpose of educating juvenile hall pupils or pupils with exceptional needs, shall be considered a necessary small high school):

(1) The projection of its future enrollment on the basis of the enrollment of the elementary schools in the district shows that within eight years the enrollment in high school in grades 9 to 12, inclusive, will exceed 300 pupils.

(2) Any one of the following combinations of distance and units of average daily attendance applies:

(A) The high school had an average daily attendance of less than 100 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 15 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 20 miles or 25 percent of the pupils would be required to travel 30 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

(B) The high school had an average daily attendance of 100 or more and less than 150 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 10 miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 18 miles or 25 percent of the pupils would be required to travel 25 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

(C) The high school had an average daily attendance of 150 or more and less than 200 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than 7 ½ miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 15 miles or 25 percent of the pupils would be required to travel 20 miles one way from a point on a well-traveled road nearest their homes to the nearest other public high school.

(D) The high school had an average daily attendance of 200 or more and less than 301 in grades 9 to 12, inclusive, during the preceding fiscal year and is more than five miles by well-traveled road from the nearest other public high school and either 90 percent of the pupils would be required to travel 10 miles or 25 percent of the pupils would be required to travel 15 miles to the nearest other public high school.

(3) Topographical or other conditions exist in the district which would impose unusual hardships on the pupils if the number of miles specified above were required to be traveled. In these cases, the Superintendent may, when requested, and after investigation, grant exceptions from the distance requirements.

(4) The Superintendent has approved the recommendation of a county committee on school district organization designating one of two or more schools as necessary isolated schools in a situation where the schools are operated by two or more districts and the average daily attendance of each of the schools is less than 301 in grades 9 to 12, inclusive.

(b) For the 1998-99 fiscal year and each fiscal year thereafter, the high school and junior high school average daily attendance figures specified in subdivision (a) and the ranges of average daily attendance specified in paragraph (2) of subdivision (a) shall be reduced by the statewide average rate of excused absence reported for high school districts for the 1996-97 fiscal year pursuant to Section 42238.7, with the resultant figures and ranges rounded to the nearest integer.

SEC. 25. Section 42285.4 is added to the Education Code, to read:

42285.4. Notwithstanding any other provision of law, the River Delta Unified School District is eligible to receive apportionments pursuant to the schedule and criteria for small necessary high schools set forth in Section 42284 if the school district has no more than 3,000 units of average daily attendance.

SEC. 26. Section 44225.6 of the Education Code is amended to read:

44225.6. (a) By April 15 of each year, the commission shall report to the Legislature and the Governor on the availability of teachers in California. This report shall include the following information:

1 (1) The number of individuals recommended for credentials by
2 institutions of higher education and the type of credential or
3 certificate, or both, for which they were recommended, including
4 certificates issued pursuant to Sections 44253.3 and 44253.4.

5 (2) The number of individuals recommended by school
6 districts operating district internship programs and the type of
7 credential or certificate, or both, for which they were
8 recommended, including certificates issued pursuant to Sections
9 44253.3 and 44253.4.

10 (3) The number of individuals receiving an initial credential
11 based on a program completed outside of California and the type
12 of credential or certificate, or both, for which they were
13 recommended, including certificates issued pursuant to Sections
14 44253.3 and 44253.4.

15 (4) The number of individuals receiving an emergency permit,
16 credential waiver, or other authorization that does not meet the
17 definition of a highly qualified teacher under the No Child Left
18 Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

19 (5) By county and school district, the number of individuals
20 serving in the following capacities and as a percentage of the
21 total number of individuals serving as teachers in the county and
22 school district:

23 (A) University internship.

24 (B) District internship.

25 (C) Preinternship.

26 (D) Emergency permit.

27 (E) Credential waiver.

28 (F) Preliminary or professional clear credential.

29 (G) An authorization, other than those listed in this paragraph,
30 that does not meet the definition of a highly qualified teacher
31 under the No Child Left Behind Act of 2001 (20 U.S.C. Sec.
32 6301 et seq.) by category of authorization.

33 (H) Certificate issued pursuant to Section 44253.3.

34 (I) Certificate issued pursuant to Section 44253.4.

35 (J) Certificate of completion issued pursuant to Section
36 44253.10.

37 (6) The specific subjects and teaching areas in which there are
38 a sufficient number of new holders of credentials to fill the
39 positions currently held by individuals with emergency permits.

(b) The commission shall make this report available to school districts and county offices of education to assist them in the recruitment of credentialed teachers and shall make the report and supporting data publicly available on the commission's Web site.

(c) A common measure of whether teacher preparation programs are meeting the challenge of preparing increasing numbers of new teachers is the number of teaching credentials awarded. The number of teaching credentials recommended by these programs and awarded by the commission are indicators of the productivity of teacher preparation programs. The commission shall include in the report prepared for the Legislature and Governor pursuant to subdivision (a) the total number of teaching credentials recommended by all accredited teacher preparation programs authorized by the commission and the number recommended by each of the following:

- (1) The University of California system.
- (2) The California State University system.
- (3) Independent colleges and universities that offer teacher preparation programs approved by the commission.
- (4) Other institutions that offer teacher preparation programs approved by the commission.

SEC. 27. Section 44252.1 of the Education Code is amended to read:

44252.1. (a) It is the intent of the Legislature that a credential candidate enrolled in a credential preparation program receive reasonable time to complete the program without meeting new requirements, including, but not limited to, requirements added by statutes, regulations, or commission standards, after the candidate's enrollment in the program. Further, to ensure that all candidates for a credential receive reasonable information and advice as they proceed through their program, the Legislature finds and declares that it is incumbent upon credential preparation programs to inform candidates of new requirements and extension provisions available to eligible candidates.

(b) For the purposes of this section, the following terms shall have the following meanings:

- (1) "Enrolled" refers to an individual who, on or after January 1, 2002, continuously participates in and is working toward completing the requirements for a program that meets the

1 minimum requirements for a California preliminary multiple or
2 single subject teaching credential as specified in Section 44259.
3 Whether an individual is enrolled shall be subject to verification
4 by the Commission on Teacher Credentialing.

5 (2) “Continuously enrolled” refers to an individual who has
6 begun a teacher preparation program and does not have a break
7 in that participation that exceeds a period of 18 months.

8 (c) The commission shall adopt regulations to provide a
9 credential candidate enrolled in a commission-accredited
10 preparation program, including, but not limited to, an internship
11 program as defined in Article 7.5 (commencing with Section
12 44325) and Article 3 (commencing with Section 44450), a
13 professional preparation program as defined in Article 7
14 (commencing with Section 44320), or an integrated program of
15 professional preparation as defined in Section 44259.1 with a
16 grace period to complete the program without meeting new
17 requirements, including, but not limited to, requirements added
18 by statutes, regulations, or commission standards, after the
19 candidate’s enrollment in the program. The commission shall
20 also ensure through standards and accreditation procedures that
21 credential preparation programs provide credential candidates
22 with information about new requirements and extension
23 provisions as outlined in this subdivision and subdivisions (d)
24 and (e).

25 (1) The commission shall adopt regulations that provide a
26 credential candidate enrolled in a commission-accredited
27 preparation program time of not less than 24 months after
28 enrollment in the program, during which time new or amended
29 statutes, regulations, and commission standards that become
30 effective and are imposed on credential candidates after the
31 candidate’s enrollment date shall not apply to that candidate.

32 (2) The commission shall allow a credential candidate an
33 extension of time in addition to the time specified pursuant to
34 paragraph (1) to complete a credential program under the
35 statutes, regulations, and commission standards in place at the
36 time of the candidate’s enrollment if the candidate can
37 demonstrate extenuating circumstances, including, but not
38 limited to, personal or family illness, bereavement, or financial
39 hardship and develops a plan, in consultation with the credential

1 preparation program, for continued progress toward completion
2 of the preparation program.

3 (d) The commission shall maintain a list of candidates who are
4 allowed an extended time period to complete the program under
5 the statutes, regulations, and commission standards in place at the
6 time of the candidates' enrollment prior to the effective date of a
7 new or amended statute, regulation, or standard. This list shall
8 include the projected date of program completion for each
9 candidate.

10 (e) (1) A credential candidate enrolled in an integrated
11 program of professional preparation pursuant to subdivision (a)
12 of Section 44259.1 is not subject to any new requirements added
13 by statute, regulation, or commission standards if that candidate
14 is continuously enrolled in the program, as defined in paragraph
15 (2) of subdivision (b), and does not change the type of credential
16 or program he or she is pursuing once enrolled.

17 (2) A credential candidate continuously enrolled in an
18 integrated program of professional preparation pursuant to
19 subdivision (a) of Section 44259.1 who has completed all
20 requirements necessary to begin the student teaching component
21 of his or her program shall be eligible to receive an extension of
22 12 months, if necessary, to complete the outstanding
23 requirements that were in place when that credential candidate
24 began the preparation program, and shall not be subject to any
25 new requirements added by statute, regulation, or commission
26 standards, once that candidate begins the student teaching portion
27 of his or her program.

28 (3) This subdivision does not limit the ability of a candidate to
29 seek additional time to complete a credential pursuant to
30 paragraph (2) of subdivision (c).

31 (4) By June 30, 2004, the commission shall report to the
32 education policy committees in each house of the Legislature on
33 the success of the integrated program of professional
34 development pursuant to Section 44259.1 toward preparing
35 teacher candidates, including, but not limited to, the number of
36 students admitted to the teacher education component in each
37 program, the number of students who have completed all course
38 requirements, including student teaching, and who have applied
39 for a credential, the number of students applying for and

1 receiving an extension pursuant to subdivision (e), and the
2 information collected pursuant to subdivision (d).

3 (f) This section does not supersede subdivision (h) of Section
4 44259.

5 (g) A modification of a credentialing examination by the
6 commission that is made as the result of a validity study or a
7 passing standard study shall not be considered a new requirement
8 for purposes of this section.

9 (h) If credential preparation coursework that a credential
10 candidate has not yet taken is modified, the candidate shall take
11 the modified coursework instead of the previously required
12 coursework unless the modified coursework is not readily
13 available, the modified coursework would result in an increased
14 cost to the candidate, or completion of the modified coursework
15 would delay the candidate's completion of the credential
16 preparation program.

17 (i) Once a candidate has received a preliminary California
18 teaching credential pursuant to Section 44259 and is employed as
19 the teacher of record in a California public school, the candidate
20 shall not be subject to any new requirements for completing the
21 induction phase required to obtain the professional clear teaching
22 credential pursuant to Section 44279.4, for a period not to exceed
23 the length of time provided for the preliminary teaching
24 credential pursuant to Section 44251.

25 SEC. 28. Section 44265.6 is added to the Education Code, to
26 read:

27 44265.6. (a) Upon the request of an employing school
28 district, county office of education or state special school, the
29 Commission on Teacher Credentialing shall determine specific
30 requirements for and issue a one-year specialist instruction
31 emergency permit, solely for the purpose of instructing deaf or
32 hearing-impaired pupils, to any prelingually deaf candidate upon
33 medical or other appropriate professional verifications.

34 (b) The applicant is exempted from the requirements in
35 Section 44252 and subdivision (b) of Section 44830.

36 (c) "Prelingually deaf" means, for purposes of this section, as
37 having suffered a hearing loss prior to three years of age that
38 prevents the processing of linguistic information through hearing,
39 with or without amplification.

1 (d) The emergency specialist instruction permit issued under
2 this section authorizes the holder to teach deaf and
3 hearing-impaired pupils who are enrolled in state special schools
4 or in special classes for pupils with hearing impairments.

5 (e) A one-year specialist instruction emergency permit issued
6 pursuant to subdivision (a) may be reissued at the request of the
7 employing school district, county office of education or state
8 special school in accordance with criteria determined by the
9 Commission on Teacher Credentialing.

10 SEC. 29. Section 44664 of the Education Code is amended to
11 read:

12 44664. (a) Evaluation and assessment of the performance of
13 each certificated employee shall be made on a continuing basis as
14 follows:

15 (1) At least once each school year for probationary personnel.

16 (2) At least every other year for personnel with permanent
17 status.

18 (3) At least every five years for personnel with permanent
19 status who have been employed at least 10 years with the school
20 district, are highly qualified, if those personnel occupy positions
21 that are required to be filled by a highly qualified professional by
22 the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec.
23 6301, et seq.), as defined in 20 U.S.C. Sec. 7801, and whose
24 previous evaluation rated the employee as meeting or exceeding
25 standards, if the evaluator and certificated employee being
26 evaluated agree. The certificated employee or the evaluator may
27 withdraw consent at any time.

28 (b) The evaluation shall include recommendations, if
29 necessary, as to areas of improvement in the performance of the
30 employee. If an employee is not performing his or her duties in a
31 satisfactory manner according to the standards prescribed by the
32 governing board, the employing authority shall notify the
33 employee in writing of that fact and describe the unsatisfactory
34 performance. The employing authority shall thereafter confer
35 with the employee making specific recommendations as to areas
36 of improvement in the employee's performance and endeavor to
37 assist the employee in his or her performance. If any permanent
38 certificated employee has received an unsatisfactory evaluation,
39 the employing authority shall annually evaluate the employee

1 until the employee achieves a positive evaluation or is separated
2 from the district.

3 (c) Any evaluation performed pursuant to this article which
4 contains an unsatisfactory rating of an employee's performance
5 in the area of teaching methods or instruction may include the
6 requirement that the certificated employee shall, as determined
7 necessary by the employing authority, participate in a program
8 designed to improve appropriate areas of the employee's
9 performance and to further pupil achievement and the
10 instructional objectives of the employing authority. If a district
11 participates in the Peer Assistance and Review Program for
12 Teachers established pursuant to Article 4.5 (commencing with
13 Section 44500), any certificated employee who receives an
14 unsatisfactory rating on an evaluation performed pursuant to this
15 section shall participate in the Peer Assistance and Review
16 Program for Teachers.

17 (d) Hourly and temporary hourly certificated employees, other
18 than those employed in adult education classes who are excluded
19 by the provisions of Section 44660, and substitute teachers may
20 be excluded from the provisions of this section at the discretion
21 of the governing board.

22 SEC. 30. Section 45037 of the Education Code is amended to
23 read:

24 45037. (a) Except as provided in Section 45036, for the fiscal
25 year 2001-02 and for any fiscal year thereafter in which a person
26 renders service as a teacher in kindergarten or any of grades 1 to
27 12, inclusive, who does not have a valid certification document,
28 the school district or county office of education in which the
29 person is employed shall be assessed a penalty that shall be in
30 lieu of any loss of funding that would otherwise result under
31 Chapter 6.10 (commencing with Section 52120) of Part 28. The
32 penalty shall be calculated as provided in subdivision (b) and
33 withheld from state funding otherwise due to the district or
34 county office of education.

35 (1) Notwithstanding Section 46300, the attendance of the
36 noncertificated person's pupils during the period of service shall
37 be included in the computation of average daily attendance.

38 (2) The noncertificated person's period of service shall not be
39 excluded from the determination of eligibility for incentive
40 funding for a longer instructional day or year, or both, pursuant

1 to Article 8 (commencing with Section 46200) of Chapter 2 of
2 Part 26.

3 (b) (1) For each person who rendered service in the
4 employment of the district or county office of education as a
5 teacher in kindergarten or any of grades 1 to 12, inclusive, during
6 the fiscal year, add the total number of schooldays on which the
7 person rendered any amount of the service.

8 (2) For each person who rendered service in the employment
9 of the district or county office of education as a teacher in
10 kindergarten or any of grades 1 to 12, inclusive, during the fiscal
11 year, for a period of service during which the person did not have
12 a valid certification document, add the number of schooldays on
13 which the person rendered any amount of the service without a
14 valid certification document.

15 (3) Divide the number determined in paragraph (2) by the
16 number determined in paragraph (1) and carry the result to four
17 decimal places.

18 (4) Multiply a school district's revenue limit entitlement for
19 the fiscal year, calculated pursuant to Section 42238, or it's
20 funding amount calculated pursuant to Article 4 (commencing
21 with Section 42280) of Chapter 7 of Part 24, as applicable, or a
22 county office of education's funding for the fiscal year, for the
23 program in which the noncertificated person rendered service by
24 the number determined in paragraph (3).

25 (c) Beginning in 2002-03, if a county office of education
26 releases a warrant as compensation for service as a teacher in
27 favor of a person for whom a period of school district service is
28 included in the calculation set forth in paragraph (2) of
29 subdivision (b), the county office shall be assessed a penalty. The
30 penalty assessed to a county office for any fiscal year in which
31 one or more district teachers did not have a valid certification
32 document shall be equal to the lesser of three amounts as follows:

33 (1) Fifty percent of all penalties assessed for that fiscal year to
34 all school districts in the county office's jurisdiction pursuant to
35 subdivision (b).

36 (2) One-half percent of the total expenditures for that fiscal
37 year from unrestricted resources, as defined in the California
38 School Accounting Manual, in the county office's county school
39 service fund, when two or fewer districts in the county office's
40 jurisdiction are subject to penalties pursuant to subdivision (b).

1 (3) One percent of the total expenditures for that fiscal year
2 from unrestricted resources, as defined in the California School
3 Accounting Manual, in the county office's county school service
4 fund, when three or more districts in the county office's
5 jurisdiction are subject to penalties pursuant to subdivision (b).

6 (d) Except as provided in subdivision (d) of Section 41344.1,
7 nothing in this section may be waived in whole or in any part.

8 SEC. 31. Section 48213 of the Education Code is repealed.

9 SEC. 32. Section 48213 is added to the Education Code, to
10 read:

11 48213. If a pupil is excluded from attendance pursuant to
12 Section 120230 of the Health and Safety Code or Section 49451
13 of this code, or if a principal or his or her designee determines
14 that the continued presence of the child would constitute a clear
15 and present danger to the life, safety, or health of a pupil or
16 school personnel, the governing board is not required to send
17 prior notice of the exclusion to the parent or guardian of the
18 pupil. The governing board shall send a notice of the exclusion as
19 soon as is reasonably possible after the exclusion.

20 SEC. 33. Section 48660.2 of the Education Code is amended
21 to read:

22 48660.2. (a) Notwithstanding any other provision of law, and
23 as a condition of receiving apportionments under this article,
24 school districts operating one or more community day schools
25 shall annually report to the Superintendent, on forms approved
26 by the State Board of Education, the direct instructional costs and
27 documented support costs of their community day schools, using
28 definitions included in the California School Accounting Manual,
29 Part I, as it read on July 1, 1997, except that districts may include
30 in these reports the costs of rents and leases for facilities used by
31 community day schools and maintenance and operations costs for
32 facilities used by community day schools. Each school district
33 that has received approval from the department to use the
34 standardized account code structure may satisfy the requirement
35 set forth in this subdivision by reporting the direct costs of the
36 community day school program, and shall maintain
37 documentation of all noninstructional costs charged to the
38 community day school program.

39 (b) The Superintendent shall do each of the following:

1 (1) Multiply the total of all funds received by each school
2 district on behalf of pupils while enrolled in community day
3 schools by 0.9.

4 (2) Subtract the total of each school district's costs for
5 community day schools, as determined pursuant to subdivision
6 (a), from the amount determined pursuant to paragraph (1).

7 (3) If the amount determined pursuant to paragraph (2) for a
8 school district is positive, the Superintendent shall subtract that
9 amount from the school district's next apportionment.

10 (c) (1) For purposes of making the computation required by
11 paragraph (1) of subdivision (b) for the 2004-05 fiscal year, the
12 "total of all funds received" means the total of all funds received
13 in the 2002-03 to 2004-05 fiscal years, inclusive.

14 (2) For purposes of making the computation required by
15 paragraph (2) of subdivision (b) for the 2004-05 fiscal year, the
16 "school district's costs" means the school district's costs incurred
17 in the 2002-03 to 2004-05 fiscal years, inclusive.

18 SEC. 34. Section 48900.8 of the Education Code is amended
19 to read:

20 48900.8. For purposes of notification to parents, and for the
21 reporting of expulsion or suspension offenses to the department,
22 each school district shall specifically identify, by offense
23 committed, in all appropriate official records of a pupil each
24 suspension or expulsion of that pupil for the commission of any
25 of the offenses set forth in Section 48900, 48900.2, 48900.3,
26 48900.4, 48900.7, or 48915.

27 SEC. 35. Section 48980 of the Education Code is amended to
28 read:

29 48980. (a) At the beginning of the first semester or quarter of
30 the regular school term, the governing board of each school
31 district shall notify the parent or guardian of a minor pupil
32 regarding the right or responsibility of the parent or guardian
33 under Sections 35291, 46014, 48205, 48207, 48208, 49403,
34 49423, 49451, 49472, and 51938 and Chapter 2.3 (commencing
35 with Section 32255) of Part 19.

36 (b) The notification also shall advise the parent or guardian of
37 the availability of individualized instruction as prescribed by
38 Section 48206.3, and of the program prescribed by Article 9
39 (commencing with Section 49510) of Chapter 9.

1 (c) The notification shall also advise the parents and guardians
2 of all pupils attending a school within the district of the schedule
3 of minimum days and pupil-free staff development days, and if
4 any minimum or pupil-free staff development days are scheduled
5 thereafter, the governing board shall notify parents and guardians
6 of the affected pupils as early as possible, but not later than one
7 month before the scheduled minimum or pupil-free day.

8 (d) The notification also may advise the parent or guardian of
9 the importance of investing for future college or university
10 education for their children and of considering appropriate
11 investment options including, but not limited to, United States
12 Savings Bonds.

13 (e) Commencing with the 2000-01 school year, and each
14 school year thereafter, the notification shall advise the parent or
15 guardian of the pupil that, commencing with the 2003-04 school
16 year, and each school year thereafter, each pupil completing 12th
17 grade will be required to successfully pass the high school exit
18 examination administered pursuant to Chapter 8 (commencing
19 with Section 60850) of Part 33. The notification shall include, at
20 a minimum, the date of the examination, the requirements for
21 passing the examination, and shall inform the parents and
22 guardians regarding the consequences of not passing the
23 examination and shall inform parents and guardians that passing
24 the examination is a condition of graduation.

25 (f) Each school district that elects to provide a fingerprinting
26 program pursuant to Article 10 (commencing with Section
27 32390) shall inform parents or guardians of the program as
28 specified in Section 32390.

29 (g) The notification shall also include a copy of the district's
30 written policy on sexual harassment established pursuant to
31 Section 212.6, as it relates to pupils.

32 (h) The notification shall advise the parent or guardian of all
33 existing statutory attendance options and local attendance options
34 available in the school district. That notification shall include all
35 options for meeting residency requirements for school
36 attendance, programmatic options offered within the local
37 attendance areas, and any special programmatic options available
38 on both an interdistrict and intradistrict basis. That notification
39 shall also include a description of all options, a description of the
40 procedure for application for alternative attendance areas or

1 programs, an application form from the district for requesting a
2 change of attendance, and a description of the appeals process
3 available, if any, for a parent or guardian denied a change of
4 attendance. The notification shall also include an explanation of
5 the existing statutory attendance options including, but not
6 limited to, those available under Section 35160.5, Chapter 5
7 (commencing with Section 46600) of Part 26, subdivision (f) of
8 Section 48204, and Article 1.5 (commencing with Section
9 48209) of Chapter 2 of Part 27. The department shall produce
10 this portion of the notification and shall distribute it to all school
11 districts.

12 (i) It is the intent of the Legislature that the governing board of
13 each school district annually review the enrollment options
14 available to the pupils within their districts and that the school
15 districts strive to make available enrollment options that meet the
16 diverse needs, potential, and interests of California's pupils.

17 (j) The notification shall advise the parent or guardian that no
18 pupil may have his or her grade reduced or lose academic credit
19 for any absence or absences excused pursuant to Section 48205 if
20 missed assignments and tests that can reasonably be provided are
21 satisfactorily completed within a reasonable period of time, and
22 shall include the full text of Section 48205.

23 (k) The notification shall advise the parent or guardian of the
24 availability of state funds to cover the costs of advanced
25 placement examination fees pursuant to Section 52244.

26 SEC. 36. Section 49423 of the Education Code is amended to
27 read:

28 49423. (a) Notwithstanding Section 49422, any pupil who is
29 required to take, during the regular schoolday, medication
30 prescribed for him or her by a physician or surgeon, may be
31 assisted by the school nurse or other designated school personnel
32 or may carry and self-administer prescription auto-injectable
33 epinephrine if the school district receives the appropriate written
34 statements identified in subdivision (b).

35 (b) (1) In order for a pupil to be assisted by a school nurse or
36 other designated school personnel pursuant to subdivision (a), the
37 school district shall obtain both a written statement from the
38 physician detailing the name of the medication, method, amount,
39 and time schedules by which the medication is to be taken and a
40 written statement from the parent, foster parent, or guardian of

1 the pupil indicating the desire that the school district assist the
2 pupil in the matters set forth in the statement of the physician.

3 (2) In order for a pupil to carry and self-administer
4 prescription auto-injectable epinephrine pursuant to subdivision
5 (a), the school district shall obtain both a written statement from
6 the physician or surgeon detailing the name of the medication,
7 method, amount, and time schedules by which the medication is
8 to be taken, and confirming that the pupil is able to
9 self-administer auto-injectable epinephrine, and a written
10 statement from the parent, foster parent, or guardian of the pupil
11 consenting to the self-administration, providing a release for the
12 school nurse or other designated school personnel to consult with
13 the health care provider of the pupil regarding any questions that
14 may arise with regard to the medication, and releasing the school
15 district and school personnel from civil liability if the
16 self-administering pupil suffers an adverse reaction as a result of
17 self-administering medication pursuant to this paragraph.

18 (3) The written statements specified in this subdivision shall
19 be provided at least annually and more frequently if the
20 medication, dosage, frequency of administration, or reason for
21 administration changes.

22 (c) A pupil may be subject to disciplinary action pursuant to
23 Section 48900 if that pupil uses auto-injectable epinephrine in a
24 manner other than as prescribed.

25 SEC. 37. Section 49423.1 of the Education Code is amended
26 to read:

27 49423.1. (a) Notwithstanding Section 49422, any pupil who
28 is required to take, during the regular schoolday, medication
29 prescribed for him or her by a physician and surgeon, may be
30 assisted by the school nurse or other designated school personnel
31 or may carry and self-administer inhaled asthma medication if
32 the school district receives the appropriate written statements
33 specified in subdivision (b).

34 (b) (1) In order for a pupil to be assisted by a school nurse or
35 other designated school personnel pursuant to subdivision (a), the
36 school district shall obtain both a written statement from the
37 physician or surgeon detailing the name of the medication,
38 method, amount, and time schedules by which the medication is
39 to be taken and a written statement from the parent, foster parent,
40 or guardian of the pupil requesting that the school district assist

1 the pupil in the matters set forth in the statement of the physician
2 or surgeon.

3 (2) In order for a pupil to carry and self-administer
4 prescription inhaled asthma medication pursuant to subdivision
5 (a), the school district shall obtain both a written statement from
6 the physician or surgeon detailing the name of the medication,
7 method, amount, and time schedules by which the medication is
8 to be taken, and confirming that the pupil is able to
9 self-administer inhaled asthma medication, and a written
10 statement from the parent, foster parent, or guardian of the pupil
11 consenting to the self-administration, providing a release for the
12 school nurse or other designated school personnel to consult with
13 the health care provider of the pupil regarding any questions that
14 may arise with regard to the medication, and releasing the school
15 district and school personnel from civil liability if the
16 self-administering pupil suffers an adverse reaction by taking
17 medication pursuant to this section.

18 (3) The written statements specified in this subdivision shall
19 be provided at least annually and more frequently if the
20 medication, dosage, frequency of administration, or reason for
21 administration changes.

22 (c) A pupil may be subject to disciplinary action pursuant to
23 Section 48900 if that pupil uses inhaled asthma medication in a
24 manner other than as prescribed.

25 SEC. 38. Section 51226.1 of the Education Code is amended
26 to read:

27 51226.1. (a) Upon adoption of the model curriculum
28 standards developed pursuant to Section 51226, the
29 Superintendent shall develop a curriculum framework consistent
30 with criteria set forth in subdivision (a) of Section 60005 that
31 offers a blueprint for implementation of career and technical
32 education. The framework shall be adopted no later than April 1,
33 2007.

34 (b) In developing the framework, the Superintendent shall
35 work in consultation and coordination with an advisory group,
36 including, but not limited to, representatives from all of the
37 following:

38 (1) Business and industry.

39 (2) Labor.

40 (3) The California Community Colleges.

- 1 (4) The University of California.
- 2 (5) The California State University.
- 3 (6) Classroom teachers.
- 4 (7) School administrators.
- 5 (8) Pupils.
- 6 (9) Parents and guardians.
- 7 (10) Representatives of the Legislature.
- 8 (11) The department.
- 9 (12) The Labor and Workforce Development Agency.

10 (c) In convening the membership of the advisory group set
11 forth in subdivision (b), the Superintendent is encouraged to seek
12 representation broadly reflective of the state population.

13 (d) Costs incurred by the superintendent in complying with
14 this section shall be covered, to the extent permitted by federal
15 law, by the state administrative and leadership funds available
16 pursuant to the Carl D. Perkins Vocational and Technical
17 Education Act of 1998 (20 U.S.C. Sec. 2301).

18 (e) In developing the framework, the Superintendent shall
19 consider developing frameworks for various career pathways that
20 will prepare pupils for both career entry and matriculation into
21 postsecondary education.

22 (f) Upon completion of the framework, the advisory group is
23 encouraged to identify career technical education courses that
24 meet state-adopted academic content standards and that satisfy
25 high school graduation requirements and admissions
26 requirements of the University of California and the California
27 State University, and to determine the extent to which local
28 educational agencies accept credit earned for the completion of
29 those courses, in lieu of other courses of study.

30 (g) The adoption of the framework developed and adopted
31 pursuant to this section by a local educational agency shall be
32 voluntary.

33 SEC. 39. Section 52247 of the Education Code is repealed.

34 SEC. 40. Section 52520 of the Education Code is amended to
35 read:

36 52520. (a) Every vocational or occupational training program
37 for adults offered by any high school district or unified school
38 district shall be reviewed every two years by the governing board
39 to assure that each such program does all of the following:

- 40 (1) Meets a documented labor market demand.

1 (2) Does not represent unnecessary duplication of other
2 manpower training programs in the area.

3 (3) Is of demonstrated effectiveness as measured by the
4 employment and completion success of its students.

5 (b) Any program that does not meet the requirements of
6 subdivision (a) and the standards promulgated by the governing
7 board shall be terminated within one year.

8 (c) The review process required by this section shall include
9 the review and comments by the local workforce Investment
10 board established pursuant to the Workforce Investment Act of
11 1998 (29 U.S.C. Sec. 2801 et seq.), and pursuant to (Division 8
12 (commencing with Section 15000) of the Unemployment
13 Insurance Code), which review and comments shall occur prior
14 to any decision by the appropriate governing body.

15 SEC. 41. Section 52570 of the Education Code is amended to
16 read:

17 52570. The governing board of any school district
18 maintaining secondary schools or the county superintendent of
19 schools, shall have the power, with the approval of the
20 Department of Education, to establish special classes for adults
21 designed to serve the educational needs of adults with
22 disabilities. These classes shall be directed to providing
23 instruction in civic, vocational, literary, homemaking, technical,
24 and general education and shall conform to standards of
25 attendance, curriculum, and administration established by the
26 department. Attendance of adults with disabilities in such classes
27 established by the county superintendent of schools shall be
28 included for purposes of apportionments to the county school
29 service fund.

30 SEC. 42. Section 52571 of the Education Code is amended to
31 read:

32 52571. Special classes for adults with disabilities may be
33 conducted under the direction of the governing board of the
34 school district in workshop and training facilities provided by
35 nonprofit organizations, or in public school facilities. These
36 facilities may include those where part-time paid work education
37 and training is conducted and where less than the state minimum
38 wage is paid.

39 SEC. 43. Section 52572 of the Education Code is amended to
40 read:

1 52572. The governing board of any school district or the
2 county superintendent of schools authorized by this article to
3 establish special classes for adults designed to serve the
4 educational needs of adults with disabilities may contract for the
5 providing of such classes by any adjacent high school district or
6 unified school district, subject to the approval of the
7 Superintendent. For purposes of apportionments, the average
8 daily attendance in classes conducted pursuant to the contract
9 shall accrue to and be reported by the district in which the
10 student resides. Any contract entered into pursuant to this section
11 shall be for a term of not to exceed one year but may be renewed
12 or revised and renewed annually.

13 SEC. 44. Section 54749 of the Education Code is amended to
14 read:

15 54749. (a) For the 2000-01 fiscal year and each fiscal year
16 thereafter, a school district or county superintendent of schools
17 participating in Cal-SAFE is eligible for state funding from funds
18 appropriated for services provided for the purposes of the
19 program as follows:

20 (1) A support services allowance of two thousand two hundred
21 thirty-seven dollars (\$2,237) for each unit of average daily
22 attendance generated by each pupil who has completed the intake
23 process pursuant to subdivision (a) of Section 54746 and is
24 receiving services pursuant to subdivision (b) of Section 54746.
25 This allowance shall be adjusted annually by the inflation factor
26 set forth in subdivision (b) of Section 42238.1. In no event shall
27 more than one support service allowance be generated by any
28 pupil concurrently enrolled in more than one educational
29 program.

30 (A) A support services allowance may not be claimed for units
31 of average daily attendance reported pursuant to the following:

32 (i) Subdivision (b) of Section 1982 for pupils attending county
33 community schools operated pursuant to Chapter 6.5 of Part 2
34 (commencing with Section 1980).

35 (ii) Pupils attending juvenile court schools operated pursuant
36 to Article 2.5 (commencing with Section 48645) of Chapter 4 of
37 Part 27.

38 (iii) Pupils attending community day schools operated
39 pursuant to Article 3 (commencing with Section 48660) of
40 Chapter 4 of Part 27.

1 (iv) Pupils attending a county operated Cal-SAFE program
2 pursuant to this article whose attendance is reported pursuant to
3 Section 2551.3.

4 (B) A support services allowance may not be used to supplant
5 average daily attendance and revenue limit funding provided
6 pursuant to paragraph (2) for the support of educational programs
7 that Cal-SAFE program pupils attend.

8 (2) Average daily attendance and revenue limit funding for
9 pupils receiving services in the Cal-SAFE program shall be
10 computed pursuant to provisions and regulations applicable to
11 the educational program or programs that each pupil attends,
12 except as provided in paragraph (3).

13 (3) For attendance not claimed pursuant to paragraph (2), a
14 county office of education may claim the statewide average
15 revenue limit per unit of average daily attendance for high school
16 districts, payable from Section A of the State School Fund, for
17 the attendance of pupils receiving services in the Cal-SAFE
18 program, provided that no other revenue limit funding is claimed
19 for the same pupil and pupil attendance of no less than 240
20 minutes per day and is computed and maintained pursuant to
21 Section 46300.

22 (4) Except as provided in subdivision (c) of Section 54749.5,
23 operators of Cal-SAFE programs shall be reimbursed in
24 accordance with the amount specified in subdivision (b) of
25 Section 8265 and the amounts specified in subdivisions (a) and
26 (b) of Section 8265.5 for each child receiving services pursuant
27 to the Cal-SAFE program who is the child of teen parents
28 enrolled in the Cal-SAFE program. To be eligible for funding
29 pursuant to this paragraph, the operational days of child care and
30 development programs are only those necessary to provide child
31 care services to children of pupils participating in Cal-SAFE.

32 (5) Notwithstanding paragraph (1), pupils for whom
33 attendance is reported pursuant to subdivision (b) of Section
34 1982, pupils attending juvenile court schools, and pupils
35 attending community day schools may complete the intake
36 process for the Cal-SAFE program and, if the intake process is
37 completed, shall receive services pursuant to subdivision (b) of
38 Section 54746. The children of pupils receiving services in the
39 Cal-SAFE program pursuant to subdivision (b) of Section 54746
40 and attending juvenile court schools, county community schools,

1 or community day schools are eligible for funding pursuant to
2 paragraph (4) and no other provisions of this section.

3 (b) Funds allocated pursuant to paragraph (1) of subdivision
4 (a) shall be accounted for separately and shall be expended only
5 to provide the supportive services enumerated in subdivision (b)
6 of Section 54746, to provide in-service training as specified in
7 subdivision (d) of Section 54746, and for the expenditures
8 enumerated in subdivision (d) of this section.

9 (c) Funds allocated pursuant to paragraph (4) of subdivision
10 (a) shall be accounted for separately and shall be expended only
11 to provide developmentally appropriate child care and
12 development services pursuant to subdivision (c) of Section
13 54746 and staff development of child development program staff
14 pursuant to subdivision (d) of Section 54746 for children of teen
15 parents enrolled in the Cal-SAFE program for the purpose of
16 promoting the children's development comparable to age norms,
17 access to health and preventive services, and enhanced school
18 readiness.

19 (d) Funds generated pursuant to Section 2551.3, subdivision
20 (b) of Section 54749.5, and this section shall be accounted for
21 separately and shall be expended only to provide the services
22 enumerated in Section 54746 and the following expenditures as
23 defined by the California State School Accounting Manual:

24 (1) Expenditures defined as direct costs of instructional
25 programs.

26 (2) Expenditures defined as documented direct support costs.

27 (3) Expenditures defined as allocated direct support costs.

28 (4) Expenditures for indirect charges.

29 (5) Expenditures defined as facility costs, including the costs
30 of renting, leasing, lease-purchase, remodeling, or improving
31 buildings.

32 (e) Indirect costs may not exceed the lesser of the approved
33 indirect cost rate or 10 percent.

34 (f) Expenditures that represent contract payments to
35 community-based organizations and other governmental agencies
36 pursuant to paragraph (10) of subdivision (b) of Section 54745
37 for the operation of a Cal-SAFE program shall be included in the
38 Cal-SAFE program account.

1 (g) To the extent permitted by federal law, any funding made
2 available to a school district or county superintendent of schools
3 is subject to all of the following conditions:

4 (1) The program is open to all eligible pupils without regard to
5 any pupil's religious beliefs or any other factor related to
6 religion.

7 (2) No religious instruction is included in the program.

8 (3) The space where the program is operated is not used in any
9 manner to foster religion during the time used for operation of
10 the program.

11 (h) A school district or county superintendent of schools
12 implementing a Cal-SAFE program may establish a claims
13 process to recover federal funds available for any services
14 provided that are Medi-Cal eligible.

15 (i) For purposes of serving pupils enrolled in the Cal-SAFE
16 program in a summer school program or enrolled in a school
17 program operating more than 180 days, eligibility for child care
18 services pursuant to subdivision (c) of Section 54746 shall be
19 determined by the parent's hours of enrollment and shall be for
20 only those hours necessary to further the completion of the
21 parent's educational program.

22 (j) To meet startup costs for the opening of child care and
23 development sites, as defined in subdivision (ab) of Section
24 8208, and applicable regulations, a school district or county
25 office of education may apply for a one-time 15-percent service
26 level exemption within the amount appropriated in the annual
27 Budget Act for the purposes of paragraph (4) of subdivision (a)
28 for each site meeting the criteria set forth in subdivision (ab) of
29 Section 8208. To the extent that Budget Act funding is
30 insufficient to cover the full costs of Cal-SAFE child care,
31 reimbursements to all participating programs shall be reduced on
32 a pro rata basis. A school district or county office of education
33 shall submit claims pursuant to this subdivision with other claims
34 submitted pursuant to this section. Funding provided for startup
35 costs shall be utilized for approvable startup costs enumerated in
36 subdivision (a) of Section 8275.

37 (k) To meet costs for the renovation, repair, or improvement of
38 an existing building to make the building suitable for licensure
39 for child care and development services and for the purchase of
40 new relocatable child care facilities for lease to school districts

1 and contracting agencies that provide child care and development
2 services, a school district or county office of education that
3 provides child care pursuant to this article may apply for and
4 receive funding pursuant to Section 8278.3.

5 (l) Notwithstanding any other provision of this article, the
6 implementation of this article is contingent upon appropriations
7 in the annual Budget Act for the purpose of its administration and
8 evaluation by the department.

9 (m) Notwithstanding any other law, a charter school may
10 apply for funding pursuant to this article and shall meet the
11 requirements of this article to be eligible for funding pursuant to
12 this section.

13 SEC. 45. Section 56195.7 of the Education Code is amended
14 to read:

15 56195.7. In addition to the provisions required to be included
16 in the local plan pursuant to Chapter 3 (commencing with
17 Section 56205), each special education local plan area that
18 submits a local plan pursuant to subdivision (b) of Section
19 56195.1 and each county office that submits a local plan pursuant
20 to subdivision (c) of Section 56195.1 shall develop written
21 agreements to be entered into by entities participating in the plan.
22 The agreements need not be submitted to the superintendent.
23 These agreements shall include, but not be limited to, the
24 following:

25 (a) A coordinated identification, referral, and placement
26 system pursuant to Chapter 4 (commencing with Section 56300).

27 (b) Procedural safeguards pursuant to Chapter 5 (commencing
28 with Section 56500).

29 (c) Regionalized services to local programs, including, but not
30 limited to, all of the following:

31 (1) Program specialist service pursuant to Section 56368.

32 (2) Personnel development, including training for staff,
33 parents, and members of the community advisory committee
34 pursuant to Article 3 (commencing with Section 56240).

35 (3) Evaluation pursuant to Chapter 6 (commencing with
36 Section 56600).

37 (4) Data collection and development of management
38 information systems.

39 (5) Curriculum development.

1 (6) Provision for ongoing review of programs conducted, and
2 procedures utilized, under the local plan, and a mechanism for
3 correcting any identified problem.

4 (d) A description of the process for coordinating services with
5 other local public agencies that are funded to serve individuals
6 with exceptional needs.

7 (e) A description of the process for coordinating and providing
8 services to individuals with exceptional needs placed in public
9 hospitals, proprietary hospitals, and other residential medical
10 facilities pursuant to Article 5.5 (commencing with Section
11 56167) of Chapter 2.

12 (f) A description of the process for coordinating and providing
13 services to individuals with exceptional needs placed in licensed
14 children's institutions and foster family homes pursuant to
15 Article 5 (commencing with Section 56155) of Chapter 2.

16 (g) A description of the process for coordinating and providing
17 services to individuals with exceptional needs placed in juvenile
18 court schools or county community schools pursuant to Section
19 56150.

20 (h) A budget for special education and related services that
21 shall be maintained by the special education local plan area and
22 be open to the public covering the entities providing programs or
23 services within the special education local plan area. The budget
24 language shall be presented in a form that is understandable by
25 the general public. For each local educational agency or other
26 entity providing a program or service, the budget, at minimum,
27 shall display the following:

28 (1) Expenditures by object code and classification for the
29 previous fiscal year and the budget by the same object code
30 classification for the current fiscal year.

31 (2) The number and type of certificated instructional and
32 support personnel, including the type of class setting to which
33 they are assigned, if appropriate.

34 (3) The number of instructional aides and other qualified
35 classified personnel.

36 (4) The number of enrolled individuals with exceptional needs
37 receiving each type of service provided.

38 (i) For multidistrict special education local plan areas, a
39 description of the policymaking process that shall include a
40 description of the local method used to distribute state and

1 federal funds among the local educational agencies in the special
2 education local plan area. The local method to distribute funds
3 shall be approved according to the policymaking process
4 established consistent with subdivision (f) of Section 56001 and
5 pursuant to paragraph (3) of subdivision (b) of Section 56205.

6 (j) (1) In accordance with Section 1413 of Title 20 of the
7 United States Code, each single-district special education local
8 plan area established pursuant to Section 56195.1 shall have a
9 written procedure for the ongoing review of programs conducted,
10 and procedures utilized pursuant to Section 56205, under the
11 local plan as defined pursuant to Section 56027 and administered
12 pursuant to Section 56195, and a mechanism for correcting any
13 identified problem pursuant to paragraph (6) of subdivision (c).

14 (2) Multidistrict special education local plan areas established
15 pursuant to subdivision (b) of Section 56195.1 and a district or
16 districts joined with the county office in accordance with
17 subdivision (c) of Section 56195.1 shall have a written agreement
18 entered into by entities participating in the local plan that
19 includes a provision for ongoing review of programs conducted,
20 and procedures utilized, under the local plan, and a mechanism
21 for correcting any identified problem pursuant to paragraph (6) of
22 subdivision (c).

23 (3) The written procedure referenced in paragraph (1) and the
24 written agreement referenced in paragraph (2) need not be
25 submitted to the superintendent but shall be available upon
26 request by the department.

27 SEC. 46. Section 56362.7 of the Education Code is amended
28 to read:

29 56362.7. (a) The Legislature recognizes the need for
30 specially trained professionals to assess and serve pupils of
31 limited English proficiency. This is particularly true of pupils
32 with exceptional needs or pupils with suspected disabilities.

33 (b) The commission shall develop a bilingual-crosscultural
34 certificate of assessment competence for those professionals who
35 may participate in assessments for placements in special
36 education programs. The certificate shall be issued to holders of
37 appropriate credentials, certificates, or authorizations who
38 demonstrate, by written and oral examination, all of the
39 following:

1 (1) That the person is competent in both the oral and written
2 skills of a language other than English.

3 (2) That the person has both the knowledge and understanding
4 of the cultural and historical heritage of the
5 limited-English-proficient individuals to be served.

6 (3) That the person has the ability to perform the assessment
7 functions the candidate is certified or authorized to perform in
8 English and in a language other than English.

9 (4) That the person has knowledge of the use of instruments
10 and other assessment techniques appropriate to evaluate
11 limited-English-proficient individuals with exceptional needs and
12 ability to develop appropriate data, instructional strategies,
13 individualized education programs, and evaluations.

14 (c) Certificates of bilingual-crosscultural competence for
15 special education professionals who implement individual
16 education plans requiring bilingual services shall be granted by
17 the commission pursuant to Section 44253.7.

18 (d) It is not the intent of the Legislature in enacting this section
19 that possession of any certificate established by this section be a
20 state-mandated requirement for employment or continued
21 employment. It is the intent that this is a matter for local
22 educational agencies to determine.

23 SEC. 47. Section 56836.07 is added to the Education Code, to
24 read:

25 56836.07. For the 2004-05 fiscal year and each fiscal year
26 thereafter for which there is an appropriation in the annual
27 Budget Act for this purpose, the Superintendent shall allocate
28 funds per unit of average daily attendance reported for the special
29 education local plan area to a special education local plan area
30 for the purposes of Section 56331. For the 2004-05 fiscal year
31 and each fiscal year thereafter for which there is an appropriation
32 in the annual Budget Act for this purpose, the Superintendent
33 shall determine a proportionate share, consistent with existing
34 law, to the Los Angeles County Juvenile Court and Community
35 School/Division of Alternative Education Special Education
36 Local Plan Area based on the ratio of the amount per unit of
37 average daily attendance determined pursuant to Section
38 56836.10 to the amount of the statewide target per unit of
39 average daily attendance determined pursuant to Section

1 56836.11 for the 2004-05 fiscal year, and each fiscal year
2 thereafter.

3 SEC. 48. Section 7572.5 of the Government Code is amended
4 to read:

5 7572.5. (a) When an assessment is conducted pursuant to
6 Article 2 (commencing with Section 56320) of Chapter 4 of Part
7 30 of Division 4 of the Education Code, which determines that a
8 child is seriously emotionally disturbed, as defined in Section
9 300.7 of Title 34 of the Code of Federal Regulations, and any
10 member of the individualized education program team
11 recommends residential placement based on relevant assessment
12 information, the individualized education program team shall be
13 expanded to include a representative of the county mental health
14 department.

15 (b) The expanded individualized education program team shall
16 review the assessment and determine whether:

17 (1) The child's needs can reasonably be met through any
18 combination of nonresidential services, preventing the need for
19 out-of-home care.

20 (2) Residential care is necessary for the child to benefit from
21 educational services.

22 (3) Residential services are available which address the needs
23 identified in the assessment and which will ameliorate the
24 conditions leading to the seriously emotionally disturbed
25 designation.

26 (c) If the review required in subdivision (b) results in an
27 individualized education program which calls for residential
28 placement, the individualized education program shall include all
29 the items outlined in Section 56345 of the Education Code, and
30 shall also include:

31 (1) Designation of the county mental health department as lead
32 case manager. Lead case management responsibility may be
33 delegated to the county welfare department by agreement
34 between the county welfare department and the designated
35 mental health department. The mental health department shall
36 retain financial responsibility for provision of case management
37 services.

38 (2) Provision for a review of the case progress, the continuing
39 need for out-of-home placement, the extent of compliance with
40 the individualized education program, and progress toward

1 alleviating the need for out-of-home care, by the full
2 individualized education program team at least every six months.

3 (3) Identification of an appropriate residential facility for
4 placement with the assistance of the county welfare department
5 as necessary.

6 SEC. 49. Chapter 1.2 (commencing with Section 628) of Title
7 15 of Part 1 of the Penal Code is repealed.

8 SEC. 50. Item 6110-183-0890 of Section 2.00 of Chapter 208
9 of the Statutes of 2004 is amended to read:

10
11 6110-183-0890—For local assistance, Department of
12 Education, Instructional Support--Safe and Drug Free
13 Schools and Communities Act of 1994 (Public Law
14 103-382), payable from the Federal Trust Fund 52,939,000

15 Schedule:

16 (1) 20.10.045-Health and Physical
17 Education, Drug Free Schools 52,939,000

18 Provisions:

- 19 1. Local education agencies shall give priority in the
20 expenditure of the funds appropriated by this item to
21 create comprehensive drug and violence prevention
22 programs that promote school safety, reduce the use
23 of drugs, and create learning environments that are
24 free of alcohol and guns and that support academic
25 achievement for all pupils. In addition to preventing
26 drug and alcohol use, prevention programs will
27 respond to the crisis of violence in our schools by
28 addressing the need to prevent serious crime,
29 violence, and discipline problems. The
30 Superintendent of Public Instruction shall (a) notify
31 local education agencies of this policy, and (b)
32 incorporate the policy into the department's
33 compliance review procedures.
- 34 2. Of the funds appropriated in this item, \$1,526,000 is
35 available for one-time grants for drug and violence
36 prevention and intervention services for entitlements
37 earned by a local educational agency in the 2003-04
38 fiscal year.
- 39

SEC. 51. With respect to Section 47 of this act, the Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances of the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area. The facts constituting the special circumstances are the larger pupil population and unique staffing and pupil needs.

~~SEC. 52. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.~~

SEC. 52. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, within the meaning of Section 17556 of the Government Code.

However, if the Commission on State Mandates determines that this act contains other costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 53. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that the educational programs affected by this act are properly implemented pursuant to the clarifying, technical, and other changes made by this act, it is necessary for this act to take effect immediately.